Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2022

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2022

Physicians for Human Rights, Inc.

Contents

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Physicians for Human Rights, Inc. (the Entity or PHR), which comprise the statement of financial position as of June 30, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Physicians for Human Rights, Inc's 2021 financial statements and our report, dated May 13, 2022, 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, 2021 is consistent in all material respects with the audited financial statements from which it was derived.

BDO USA, LLP

April 14, 2023

Physicians for Human Rights, Inc.

Statement of Financial Position
(with comparative totals for 2021)

June 30,		2022		2021
Assets				
Current Assets				
Cash and cash equivalents (Note 2)	$	**2,483,787**	$	5,410,142
Investments, at fair value (Notes 2 and 4)		**7,196,220**		8,117,739
Grants and contributions receivable, net (Notes 2 and 5)		**1,785,401**		2,085,681
Prepaid expenses and other assets (Note 2)		**205,810**		551,176
Due from affiliate (Note 12)		**691,396**		-
Total Current Assets		**12,362,614**		16,164,738
457 Plan Assets Held for Others (Notes 2, 4, and 10)		**175,142**		192,514
Grant and Contribution Receivables, net of current portion and discount (Notes 2 and 5)		**12,123**		218,231
Fixed Assets, Net (Notes 2 and 6)		**57,392**		98,200
Security Deposits (Note 2)		**157,651**		157,651
Total Assets	$	**12,764,922**	$	16,831,334
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$	**225,357**	$	316,097
Due to affiliate (Note 12)		**4,243**		-
Accrued expenses		**711,513**		288,808
Total Current Liabilities		**941,113**		604,905
Deferred Compensation Payable (Note 10)		**175,142**		192,514
Deferred Rent (Note 11)		**67,441**		88,377
Paycheck Protection Program (PPP) Loan (Note 7)		**-**		724,627
Total Liabilities		**1,183,696**		1,610,423
Commitments and Contingencies (Notes 2, 3, 7, 8, 10, 11, and 12)				
Net Assets (Notes 2 and 8)				
Without donor restrictions		**5,857,654**		7,137,827
With donor restrictions		**5,723,572**		8,083,084
Total Net Assets		**11,581,226**		15,220,911
Total Liabilities and Net Assets	$	**12,764,922**	$	16,831,334

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Activities
(with comparative totals for 2021)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
Support and Revenue from Operations				
Grants	$ 1,095,904	$ 1,001,478	**$ 2,097,382**	$ 2,915,112
Individual contributions	2,552,249	-	**2,552,249**	3,227,045
Contributed nonfinancial assets (Notes 2 and 9)	545,791	-	**545,791**	393,027
Investment income (loss), net (Note 2)	(921,394)	-	**(921,394)**	774,949
Other revenue	86,912	-	**86,912**	(13,672)
Net assets released from restrictions	3,360,990	(3,360,990)	**-**	-
Total Support and Revenue from Operations	6,720,452	(2,359,512)	**4,360,940**	7,296,461
Operating Expenses				
Program services	5,780,777	-	**5,780,777**	6,662,103
Fundraising	1,378,038	-	**1,378,038**	1,193,152
Management and general	1,566,199	-	**1,566,199**	896,129
Total Operating Expenses	8,725,014	-	**8,725,014**	8,751,384
Non-Operating Revenue				
Forgiveness of debt (Note 7)	724,627	-	**724,627**	695,645
Foreign exchange gain (loss)	(238)	-	**(238)**	1,008
Change in Net Assets	(1,280,173)	(2,359,512)	**(3,639,685)**	(758,270)
Net Assets, beginning of year	7,137,827	8,083,084	**15,220,911**	15,979,181
Net Assets, end of year	$ 5,857,654	$ 5,723,572	**$ 11,581,226**	$ 15,220,911

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Functional Expenses
(with comparative totals for 2021)

Year ended June 30,

	Program Services	Supporting Services: Fundraising	Supporting Services: Management and General	Total Expenses: **2022**	Total Expenses: 2021
Expenses					
Personnel					
Salaries	$ 2,317,561	$ 406,590	$ 435,129	**$ 3,159,280**	$ 3,386,165
Payroll taxes and benefits	396,958	71,078	76,041	**544,077**	578,286
Retirement plan contribution	72,722	13,619	27,567	**113,908**	142,387
Total Personnel Expenses	2,787,241	491,287	538,737	**3,817,265**	4,106,838
Occupancy					
Rent	203,818	48,562	139,322	**391,702**	415,799
Utilities	23,977	4,509	12,937	**41,423**	38,494
Total Occupancy Expenses	227,795	53,071	152,259	**433,125**	454,293
Other Expenses					
Bank, payroll, and filing fees	30,458	10,149	10,431	**51,038**	54,677
Consultants and stipends	2,110,949	685,157	629,115	**3,425,221**	2,723,331
Professional fees	-	-	56,200	**56,200**	58,047
Equipment rental	6,141	1,319	3,784	**11,244**	9,212
Insurance	37,036	9,762	28,005	**74,803**	48,306
Internet/telephone expense	39,155	7,869	20,859	**67,883**	85,408
Meetings and conferences	18,934	18,777	5,864	**43,575**	58,000
Office supplies/software fees	108,320	18,988	29,786	**157,094**	109,156
Printing and duplication	9,928	6,480	18	**16,426**	61,495
Program supplies/training materials	67,626	8,208	2,342	**78,176**	39,091
Constituency building	95,462	1,044	-	**96,506**	586,569
Travel	180,531	792	4,224	**185,547**	146,174
Miscellaneous	41,050	59,796	69,257	**170,103**	169,979
Total Other Expenses	2,745,590	828,341	859,885	**4,433,816**	4,149,445
Depreciation	20,151	5,339	15,318	**40,808**	40,808
Total Expenses	$ 5,780,777	$ 1,378,038	$ 1,566,199	**$ 8,725,014**	$ 8,751,384

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Cash Flows
(with comparative totals for 2021)

Year ended June 30,	**2022**	2021
Cash Flows from Operating Activities		
Change in net assets	**$ (3,639,685)**	$ (758,270)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized (gain) loss on sale of investments	**(7,992)**	227,037
Unrealized loss on investments	**1,104,030**	415,052
Discount on contributions receivable	**-**	33,314
Depreciation	**40,808**	40,808
PPP loan forgiveness	**(724,627)**	(695,645)
Changes in assets and liabilities:		
Decrease (increase) in:		
Grants and contribution receivables	**506,389**	342,890
Prepaid expenses and other assets	**345,366**	(143,107)
Security deposits	**-**	139,129
Due from affiliate	**(691,396)**	-
(Decrease) increase in:		
Accounts payable and accrued expenses	**(90,740)**	105,829
Accrued expenses	**422,704**	84,250
Due to affiliate	**4,243**	-
Deferred compensation payable	**(17,372)**	63,776
Deferred rent	**(20,936)**	(16,544)
Net Cash Used in Operating Activities	**(2,769,208)**	(161,481)
Cash Flows from Investing Activities		
Purchases of investments	**(313,990)**	(9,085,894)
Proceeds from sales of investments	**156,843**	7,573,399
Net Cash Used in Investing Activities	**(157,147)**	(1,512,495)
Cash Flows from Financing Activities		
Proceeds from PPP loans	**-**	724,627
Net Cash Provided by Financing Activities	**-**	724,627
Net Decrease in Cash and Cash Equivalents	**(2,926,355)**	(949,349)
Cash and Cash Equivalents, beginning of year	**5,410,142**	6,359,491
Cash and Cash Equivalents, end of year	**$ 2,483,787**	$ 5,410,142

See accompanying notes to financial statements.

1. Nature of Organization

Physicians for Human Rights, Inc. (the Entity or PHR) 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; Democratic Republic of the Congo (DRC); 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 the Entity's work to influence public debate and policy, raise awareness about human rights abuses, and engage more health workers and other supporters in its 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 statement 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 (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 its placement within the fair value hierarchy. The Entity 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's 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, 2022, there have been no impairments.

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 risks. 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.

Grants and Contributions Receivable - Net

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, 2022, 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 are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

A contribution, gift, or grant is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right or release of a promisor's obligation to transfer assets. The presence of both a barrier and a right of return or right of release indicates that a recipient's promises to give are not recognized until they become unconditional—that is, when the barriers in the agreement are overcome. As of June 30, 2022, outstanding conditional grants amounted to $91,191.

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 nonfinancial 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 - Net

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, 2022, 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, 2022.

Under 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, 2022, 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, 2022, 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, 2021.

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.

Recently Adopted Accounting Pronouncement

Contributed Financial Assets (Topic 958)

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07 (the Update) to clarify the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items.

The enhanced presentation and disclosure requirements include the contributed nonfinancial assets as separately stated as an individual line item in the combined statement of activities, distinct from contributions of cash or other financial assets. The contributed nonfinancial assets are also disaggregated in a footnote by category that shows the type of contributed nonfinancial asset in the combined statement of activities. For each type of contributed nonfinancial asset recognized, a not-for-profit will disclose the not-for-profit's policy (if any) on liquidating rather than using contributed nonfinancial assets; qualitative considerations on whether the contributed nonfinancial assets were liquidated or used during the reporting period, and, if used, a description of how the asset was employed should be included; any donor-imposed restrictions related to the contributed nonfinancial assets; and the valuation methods and inputs utilized to determine a fair value. In accordance with ASC 820, *Fair Value Measurements and Disclosures*, fair value should be measured at initial recognition. The principal or most advantageous market is utilized to calculate fair value if it is a market in which the not-for-profit is restricted by the donor from selling or utilizing the contributed nonfinancial assets.

The Update does not change existing recognition and measurement requirements. The Entity adopted this ASU as of and for the year ended June 30, 2022. There was no significant impact on the financial statements.

Accounting Pronouncements Issued but Not Yet Adopted

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. The Entity is currently evaluating the impact of this ASU on its financial statements.

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-03, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended. The new credit losses standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use a new forward-looking "expected-loss" model that generally will result in earlier recognition of credit losses than under today's incurred loss model. ASU 2016-03 is effective for annual periods beginning after December 31, 2022. The Entity 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, 2022		
Cash and cash equivalents	$	2,483,787
Investments		7,196,220
Grants and contributions receivable, net, current portion		1,785,401
Total Financial Assets Available		11,465,408
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose or time		(5,723,572)
Total Financial Assets Available to Management for General Expenditures Within One Year	$	5,741,836

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, at Fair Value

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

June 30, 2022

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	$ 7,196,220	$ -	$ -	$ 7,196,220

Following is a description of the valuation methodology 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 method is 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, net, consisted of the following:

June 30, 2022

Receivables in less than one year	$ 1,785,401
Receivables in one to three years	12,123
	1,797,524
Less: discount to present value	-
	$ 1,797,524

6. Fixed Assets, Net

Fixed assets consist of the following:

June 30, 2022		
Furniture and equipment	$	277,334
Leasehold improvements		125,677
		403,011
Less: accumulated depreciation		(345,619)
Total Fixed Assets	$	57,392

For the year ended June 30, 2022, depreciation expense was $40,808.

7. Paycheck Protection Program Loan Payable

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 (SBA) 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. In April 2020, the Entity applied for a PPP loan of $695,645. During the fiscal year ended June 30, 2021, the SBA forgave the loan and the Entity reported forgiveness of debt on the statement of activities. In February 2021, the Entity applied for and received an additional loan under the PPP amounting to $724,627. The loans are serviced by Chase and, if not forgiven, have an interest rate of 0.98% and would have matured in February 2022. During the fiscal year ended June 30, 2022, the SBA forgave each loan, and the Entity reported the related forgiveness of debt on the statement of activities as income, following the guidance of ASC 405-20, *Extinguishment of Liabilities*.

The application for these funds requires the Entity to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Entity. This certification further requires the Entity to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Entity having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following:

June 30, 2022		
Time restricted for general use	$	250,000
Asylum		51,294
Advocacy		127,229
Sexual Violence in Conflict Zones		1,142,017
Iraq		243,120
Growth Campaign		3,909,912
	$	5,723,572

Net assets released from donor restrictions consisted of the following:

Year ended June 30, 2022		
Time restricted for general use	$	500,000
Asylum		117,455
Advocacy		127,229
Sexual Violence in Conflict Zones		1,410,098
Research and investigations		414,484
Iraq		192,791
Growth Campaign		598,933
	$	3,360,990

9. Contributed Nonfinancial Assets

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 $545,791 for the year ended June 30, 2022, which is included in contributed services on the statement of activities and in consultants and stipends on the statement of functional expenses.

The following summarizes the Entity's contributed nonfinancial assets for the year ended June 30, 2022:

		Revenue Recognized	Donor Restrictions	Valuation Techniques and Inputs
Nonfinancial assets	$	545,791	No associated donor restrictions	Valued based on prevailing rates of professional time
Office rent		86,912	No associated donor restrictions	Valued based on prevailing rates of office space

10. Employee Benefit 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 $100,908 during the year ended June 30, 2022.

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 $13,000 during the year ended June 30, 2022. The total amount of this asset and liability was $175,142 as of June 30, 2022.

11. Commitments and Contingencies

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 $323,713, as compared to rental expense recognized of $344,410 for the year ended June 30, 2022. Deferred rent amounted to $67,441 for the year ended June 30, 2022. The Entity also leases space in Boston, Massachusetts under a noncancelable lease, which expired August 2021, and now leases month to month. The total lease expense was $7,131 for June 30, 2022, which is included in the occupancy expenses on the statement of functional expenses.

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

Year ending June 30,		
2023	$	353,020
2024		361,846
	$	714,866

Additionally, the Entity leases various office space under a tenant-at-will arrangement. Aggregate rent expense was $391,702 for the year ended June 30, 2022.

12. Related Party Transactions

PHR recorded amounts due from and due to an affiliate, Physicians for Human Rights, Inc. – Kenya (PHR Kenya). PHR Kenya was registered in Kenya under the Non-Governmental Organizations Coordination Act on June 21, 2007. PHR Kenya is a separate legal entity and has a separate Board of Directors. PHR and PHR Kenya share common board members, however, do not meet the criteria for consolidation under ASC 958-810. At June 30, 2022, amounts due from PHR Kenya amounted to $691,396 and due to PHR Kenya amounted to $4,243, respectively. All related party transactions are related to program expenses in accordance with PHR and PHR Kenya's mission.

13. Subsequent Events

Management has performed subsequent events procedures through April 14, 2023, which is the date that the financial statements were available to be issued. There were no subsequent events identified that would require an adjustment to the financial statements or disclosure as a result of these procedures.