

Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2023

Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2023

Physicians for Human Rights, Inc.

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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. (PHR), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PHR as of June 30, 2023, 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.

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 PHR 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 PHR's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 PHR'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 PHR'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 financial statements of PHR as of and for the year ended June 30, 2022, and our report, dated April 14, 2023, 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, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, P.C.

March 27, 2024

Physicians for Human Rights, Inc.

Statement of Financial Position (with comparative totals for 2022)

<i>June 30,</i>	2023	2022
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 1,732,953	\$ 2,483,787
Investments, at fair value (Notes 2 and 4)	5,052,679	7,196,220
Grants and contributions receivable, net (Notes 2 and 5)	3,064,658	1,785,401
Prepaid expenses and other assets (Note 2)	49,161	205,810
Due from affiliate (Note 11)	-	691,396
Total Current Assets	9,899,451	12,362,614
457 Plan Assets Held for Others (Notes 2, 4, and 9)	202,271	175,142
Grant and Contribution Receivables , net of current portion and discount (Notes 2 and 5)	12,122	12,123
Fixed Assets, Net (Notes 2 and 6)	16,584	57,392
Security Deposits (Note 2)	146,965	157,651
Total Assets	\$ 10,277,393	\$ 12,764,922
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 313,534	\$ 225,357
Accrued expenses	555,123	715,756
Total Current Liabilities	868,657	941,113
Deferred Compensation Payable (Note 10)	202,271	175,142
Other Liabilities	38,133	67,441
Total Liabilities	1,109,061	1,183,696
Commitments and Contingencies (Notes 2, 3, 7, 9, 10, and 11)		
Net Assets (Notes 2 and 7)		
Without donor restrictions	6,243,086	5,857,654
With donor restrictions	2,925,246	5,723,572
Total Net Assets	9,168,332	11,581,226
Total Liabilities and Net Assets	\$ 10,277,393	\$ 12,764,922

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Activities (with comparative totals for 2022)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Support and Revenue from Operations				
Grants	\$ 1,705,399	\$ 2,563,930	\$ 4,269,329	\$ 2,097,382
Individual contributions	1,564,431	-	1,564,431	2,552,249
Contributed nonfinancial assets (Notes 2 and 8)	571,887	-	571,887	545,791
Investment income (loss), net (Note 2)	745,974	-	745,974	(921,394)
Other revenue	143	-	143	86,912
Net assets released from restrictions	5,362,256	(5,362,256)	-	-
Total Support and Revenue from Operations	9,950,090	(2,798,326)	7,151,764	4,360,940
Operating Expenses				
Program services	6,838,360	-	6,838,360	5,780,777
Fundraising	1,199,275	-	1,199,275	1,378,038
Management and general	1,524,168	-	1,524,168	1,566,199
Total Operating Expenses	9,561,803	-	9,561,803	8,725,014
Non-Operating Revenue (Expenses)				
Forgiveness of debt	-	-	-	724,627
Foreign exchange (loss)	(2,855)	-	(2,855)	(238)
Change in Net Assets	385,432	(2,798,326)	(2,412,894)	(3,639,685)
Net Assets, beginning of year	5,857,654	5,723,572	11,581,226	15,220,911
Net Assets, end of year	\$ 6,243,086	\$ 2,925,246	\$ 9,168,332	\$ 11,581,226

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Functional Expenses (with comparative totals for 2022)

Year ended June 30,

	Supporting Services			Total Expenses	
	Program Services	Fundraising	Management and General	2023	2022
Expenses					
Personnel					
Salaries	\$ 2,580,964	\$ 401,629	\$ 255,192	\$ 3,237,785	\$ 3,159,280
Payroll taxes and benefits	331,301	47,698	62,239	441,238	544,077
Retirement plan contribution	-	-	44,033	44,033	113,908
Total Personnel Expenses	2,912,265	449,327	361,464	3,723,056	3,817,265
Occupancy					
Rent	234,042	92,577	57,861	384,480	391,702
Utilities	39,304	14,371	8,982	62,657	41,423
Total Occupancy Expenses	273,346	106,948	66,843	447,137	433,125
Other Expenses					
Bank, payroll, and filing fees	41,208	21,203	8,078	70,489	51,038
Consultants and stipends	2,039,012	407,202	978,039	3,424,253	3,425,221
Professional fees	7,800	18,927	-	26,727	56,200
Equipment rental	11,804	4,867	3,042	19,713	11,244
Insurance	61,026	25,166	15,728	101,920	74,803
Internet/telephone expense	18,335	5,332	3,332	26,999	67,883
Meetings and conferences	48,856	473	1,707	51,036	43,575
Office supplies/software fees	40,471	14,050	5,766	60,287	157,094
Printing and duplication	5,720	23,732	1,169	30,621	16,426
Program supplies/training materials	62,806	5,862	15,308	83,976	78,176
Constituency building	40,097	51,887	900	92,884	96,506
Travel	429,320	1,457	37,774	468,551	185,547
Grants to affiliated organization (Note 11)	783,245	-	-	783,245	-
Miscellaneous	38,614	52,766	18,721	110,101	170,103
Total Other Expenses	3,628,314	632,924	1,089,564	5,350,802	4,433,816
Depreciation	24,435	10,076	6,297	40,808	40,808
Total Expenses	\$ 6,838,360	\$ 1,199,275	\$ 1,524,168	\$ 9,561,803	\$ 8,725,014

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Cash Flows (with comparative totals for 2022)

<i>Year ended June 30,</i>	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ (2,412,894)	\$ (3,639,685)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized loss (gain) on sale of investments	9,218	(7,992)
Unrealized (gain) loss on investments	(672,142)	1,104,030
Depreciation	40,808	40,808
PPP loan forgiveness	-	(724,627)
Changes in assets and liabilities:		
Decrease (increase) in:		
Grants and contributions receivable	(1,279,256)	506,389
Prepaid expenses and other assets	156,649	345,366
Security deposits	10,686	-
Due from affiliate	691,396	(691,396)
Increase (decrease) in:		
Accounts payable and accrued expenses	88,177	(90,740)
Accrued expenses	(160,633)	426,947
Deferred compensation payable	27,129	(17,372)
Other liabilities	(29,308)	(20,936)
Net Cash (Used in) Operating Activities	(3,530,170)	(2,769,208)
Cash Flows from Investing Activities		
Purchases of investments	(110,200)	(313,990)
Proceeds from sales of investments	2,889,536	156,843
Net Cash Provided by (Used in) Investing Activities	2,779,336	(157,147)
Net (Decrease) in Cash and Cash Equivalents	(750,834)	(2,926,355)
Cash and Cash Equivalents, beginning of year	2,483,787	5,410,142
Cash and Cash Equivalents, end of year	\$ 1,732,953	\$ 2,483,787
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 1,173	\$ -

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Notes to Financial Statements

1. Nature of Organization

Physicians for Human Rights, Inc. (PHR 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. PHR leverages the specialized skills and credible voices of health professionals to document human rights violations and seek justice for victims of these crimes. PHR'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. PHR'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

PHR 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

PHR'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

PHR'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

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

Communications

PHR's Communications team elevates the findings of PHR'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 PHR's Asylum Network have supported survivors of torture and ill-treatment by conducting forensic medical evaluations that can document

Physicians for Human Rights, Inc.

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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. PHR 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

PHR 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, PHR may have cash deposits at financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits.

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

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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. PHR 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

PHR 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, 2023, there have been no impairments.

Physicians for Human Rights, Inc.

Notes to Financial Statements

Investment Risk

PHR'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 PHR'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

PHR 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

PHR 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, 2023, 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, 2023, there were no conditional grants.

Contributed nonfinancial 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

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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:

<u>Asset Category</u>	<u>Years</u>
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

PHR 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, 2023, there have been no such losses.

Income Taxes

PHR 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. PHR 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, 2023.

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 PHR’s financial statements. PHR does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax

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benefits. PHR has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, PHR 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, 2023, there were no interest or penalties recorded or included in the statement of activities. PHR is subject to routine audits by a taxing authority. As of June 30, 2023, PHR was not subject to any examination by a taxing authority.

Functional Allocation of Expenses

Costs associated with PHR'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 PHR's financial statements for the year ended June 30, 2022.

Concentration of Credit Risk

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

Recently Adopted Accounting Pronouncement

Leases (Topic 842)

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 PHR until annual periods beginning after December 15, 2021. Topic 842 was effective for PHR on July 1, 2022. The adoption of Topic 842 had no material effect on the operations of PHR.

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Notes to Financial Statements

Accounting Pronouncements Issued but Not Yet Adopted

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses*. This ASU was issued to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by an entity. The ASU changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred-loss model to an expected-loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU includes financial assets recorded at amortized-cost basis such as loan receivables, trade, and certain other receivables as well as certain off-balance-sheet credit exposures such as loan commitments and financial guarantees. The ASU does not apply to financial assets measured at fair value, promises to give (pledges receivable), or loans and receivables between entities under common control. ASU 2016-13 is effective for annual periods beginning after December 15, 2022. Management is currently evaluating the impact of this ASU on its financial statements.

3. Liquidity and Availability of Resources

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

June 30, 2023

Cash and cash equivalents	\$	1,732,953
Investments		5,052,679
Grants and contributions receivable, net, current portion		3,064,658
Total Financial Assets Available		9,850,290
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose or time		(2,925,246)
Total Financial Assets Available to Management for General Expenditures Within One Year	\$	6,925,044

Liquidity Management

As part of PHR'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, PHR 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.

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Physicians for Human Rights, Inc.

Notes to Financial Statements

4. Investments, at Fair Value

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

June 30, 2023

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	\$ 5,052,679	\$ -	\$ -	\$ 5,052,679

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 PHR 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 PHR 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 receivables due in less than one year of \$3,064,658 and receivables due in one to three years of \$12,122.

6. Fixed Assets, Net

Fixed assets consist of the following:

June 30, 2023

Furniture and equipment	\$	277,335
Leasehold improvements		125,677
		403,011
Less: accumulated depreciation		(386,427)
Total Fixed Assets	\$	16,584

For the year ended June 30, 2023, depreciation expense was \$40,808.

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Physicians for Human Rights, Inc.

Notes to Financial Statements

7. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following:

June 30, 2023

Advocacy	\$	28,970
Sexual Violence in Conflict Zones		1,193,503
Iraq		1,702,773
	\$	2,925,246

Net assets released from donor restrictions consisted of the following:

Year ended June 30, 2023

Time restricted for general use	\$	250,000
Asylum		51,295
Advocacy		98,259
Sexual Violence in Conflict Zones		809,670
Research and investigations		243,120
Iraq		3,909,912
	\$	5,362,256

8. Contributed Nonfinancial Assets

PHR 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 \$571,887 for the year ended June 30, 2023, 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 PHR's contributed nonfinancial assets for the year ended June 30, 2023:

	Revenue Recognized	Donor Restrictions	Valuation Techniques and Inputs
Physician Services	\$ 571,887	No associated donor restrictions	Valued are based on prevailing rates of professional time.

9. Employee Benefit Plans

PHR sponsors a defined contribution plan for all employees meeting certain eligibility requirements, which qualifies as a 403(b) plan under the IRC. PHR made contributions of \$44,033 during the year ended June 30, 2023.

Additionally, PHR has a 457(b) eligible deferred compensation plan for a certain officer of PHR. 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 PHR. PHR did not make any contributions during the year ended June 30, 2023. The total amount of this asset and liability was \$202,271 as of June 30, 2023.

Physicians for Human Rights, Inc.

Notes to Financial Statements

10. Commitments and Contingencies

Operating Leases

PHR 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 PHR's proportionate share of increases in operating costs. The base rent escalates on an annual basis over the term of the lease. PHR 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 \$50,118 for June 30, 2023, 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,

2024	\$ 370,445
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Additionally, PHR leases various office space under a tenant-at-will arrangement. Aggregate rent expense was \$384,480 for the year ended June 30, 2023.

11. 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, 2023, there are no amounts due from/to PHR Kenya, based on management's reassessment. PHR provides grants to PHR Kenya to fund program activities on non-reimbursement basis. For the year ended June 30, 2023, grant expense to PHR Kenya amounted to \$783,245.

12. Subsequent Events

Management has performed subsequent events procedures through March 27, 2024, 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.