

Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2025

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, 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, 2025

Physicians for Human Rights, Inc.

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position as of June 30, 2025	5
Statement of Activities for the Year Ended June 30, 2025	6
Statement of Functional Expenses for the Year Ended June 30, 2025	7
Statement of Cash Flows for the Year Ended June 30, 2025	8
Notes to Financial Statements	9-19



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, 2025, 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 June 30, 2025, 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 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 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, 2024, and our report dated March 24, 2025 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, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, P.C.

February 27, 2026

Physicians for Human Rights, Inc.

Statement of Financial Position (with comparative totals for 2024)

<i>June 30,</i>	2025	2024
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 94,078	\$ 632,960
Investments, at fair value (Notes 2 and 4)	1,413,134	3,222,484
Grants and contributions receivable (Notes 2 and 5)	944,841	1,597,995
Prepaid expenses and other assets (Note 2)	99,528	46,368
Total Current Assets	2,551,581	5,499,807
Fixed Assets, Net (Notes 2 and 6)	-	3,219
Operating Lease Right-of-Use Assets (Notes 2 and 10)	1,342,663	1,474,318
Security Deposits (Note 2)	44,216	44,216
Total Assets	\$ 3,938,460	\$ 7,021,560
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 454,846	\$ 588,730
Accrued compensation	164,587	221,324
Operating lease payable, current portion (Notes 2 and 10)	185,075	100,729
Total Current Liabilities	804,508	910,783
Operating Lease Payable, net of current portion (Notes 2 and 10)	1,383,597	1,411,165
Total Liabilities	2,188,105	2,321,948
Commitments and Contingencies (Notes 2, 3, 7, 9, 10, and 11)		
Net Assets (Notes 2 and 7)		
Without donor restrictions	597,818	3,216,381
With donor restrictions	1,152,537	1,483,231
Total Net Assets	1,750,355	4,699,612
Total Liabilities and Net Assets	\$ 3,938,460	\$ 7,021,560

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Activities (with comparative totals for 2024)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
Support and Revenue from Operations				
Grants	\$ 566,197	\$ 593,367	\$ 1,159,564	\$ 1,430,230
Individual contributions	2,713,545	-	2,713,545	1,847,414
Contributed nonfinancial assets (Notes 2 and 8)	520,187	-	520,187	864,862
Other revenue	12,012	-	12,012	61,399
Net assets released from restrictions (Note 7)	924,061	(924,061)	-	-
Total Support and Revenue from Operations	4,736,002	(330,694)	4,405,308	4,203,905
Operating Expenses				
Program services	4,943,302	-	4,943,302	6,063,449
Fundraising	1,350,392	-	1,350,392	1,376,931
Management and general	1,304,201	-	1,304,201	1,640,272
Total Operating Expenses	7,597,895	-	7,597,895	9,080,652
Non-Operating Revenue (Expenses)				
Investment income, net (Note 2)	243,498	-	243,498	407,444
Foreign exchange (loss) gain	(168)	-	(168)	585
Total Non-Operating Revenue (Expenses)	243,330	-	243,330	408,029
Change in Net Assets	(2,618,563)	(330,694)	(2,949,257)	(4,468,720)
Net Assets, beginning of year	3,216,381	1,483,231	4,699,612	9,168,332
Net Assets, end of year	\$ 597,818	\$ 1,152,537	\$ 1,750,355	\$ 4,699,612

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Functional Expenses (with comparative totals for 2024)

Year ended June 30,

	Supporting Services			Total Expenses	
	Program Services	Fundraising	Management and General	2025	2024
Operating Expenses					
Personnel Expenses					
Salaries	\$ 2,397,716	\$ 685,628	\$ 670,830	\$ 3,754,174	\$ 3,595,193
Payroll taxes and benefits	391,469	92,197	178,226	661,892	540,919
Retirement plan contribution	94,570	20,717	51,544	166,831	169,078
Total Personnel Expenses	2,883,755	798,542	900,600	4,582,897	4,305,190
Occupancy Expenses					
Rent	123,490	26,014	25,959	175,463	360,292
Utilities	13,900	3,494	2,149	19,543	41,253
Total Occupancy Expenses	137,390	29,508	28,108	195,006	401,545
Other Expenses					
Bank, payroll, and filing fees	91,633	30,483	14,012	136,128	127,926
Consultants and stipends	1,085,684	235,469	193,707	1,514,860	2,685,781
Professional fees	-	-	107,799	107,799	69,827
Equipment rental	4,215	1,203	740	6,158	3,134
Insurance	64,945	18,834	11,584	95,363	86,089
Internet/telephone expense	9,559	1,343	770	11,672	26,849
Meetings and conferences	9,165	266	9,114	18,545	253,230
Office supplies/software fees	105,662	50,336	16,577	172,575	108,058
Printing and duplication	9,760	5,757	94	15,611	12,841
Program supplies/training materials	64,876	9,022	4,017	77,915	87,018
Constituency building	44,287	103,337	-	147,624	159,416
Travel	220,958	9,008	10,693	240,659	322,623
Grants to affiliated organization (Note 11)	195,338	-	-	195,338	319,029
Miscellaneous	13,883	56,648	5,995	76,526	95,513
Total Other Expenses	1,919,965	521,706	375,102	2,816,773	4,357,334
Depreciation	2,192	636	391	3,219	16,583
Total Expenses	\$ 4,943,302	\$ 1,350,392	\$ 1,304,201	\$ 7,597,895	\$ 9,080,652

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Cash Flows (with comparative totals for 2024)

Year ended June 30,	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ (2,949,257)	\$ (4,468,720)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized (gain) loss on sale of investments	(24,950)	172,347
Unrealized gain on investments	(216,330)	(550,570)
Depreciation	3,219	16,583
Non-cash lease expense	131,655	55,929
Changes in assets and liabilities:		
Decrease (increase) in:		
Grants and contributions receivable	653,154	1,478,785
Prepaid expenses and other assets	(53,160)	2,793
Security deposits	-	102,749
(Decrease) increase in:		
Accounts payable and accrued expenses	(133,883)	(33,040)
Accrued compensation	(56,738)	(25,563)
Deferred compensation payable	-	(202,271)
Other liabilities	-	(38,133)
Principal addition (reduction) in operating lease liability	56,778	(18,353)
Net Cash Used in Operating Activities	(2,589,512)	(3,507,464)
Cash Flows from Investing Activities		
Purchases of investments	(29,118)	(3,195,033)
Proceeds from sales of investments	2,079,748	5,605,722
Purchase of fixed assets	-	(3,218)
Net Cash Provided by Investing Activities	2,050,630	2,407,471
Net Decrease in Cash and Cash Equivalents	(538,882)	(1,099,993)
Cash and Cash Equivalents, beginning of year	632,960	1,732,953
Cash and Cash Equivalents, end of year	\$ 94,078	\$ 632,960
Supplemental Disclosures of Cash Flow Information		
Acquisition of right-of-use assets	\$ -	\$ 1,530,891
Cash paid for interest	56,778	32,749

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) 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); Ethiopia; 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, DRC, 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 compelling evidence of physical and psychological trauma and improve the odds that they will be granted refuge in the United States.

Physicians for Human Rights, Inc.

Notes to Financial Statements

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 (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 7 for more information on the composition of net assets with donor restrictions and the releases from restrictions.

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.

Fair Value Measurements

GAAP defines fair value, establishes a framework for measuring fair value, and expands the disclosures about fair value measurements. 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

Physicians for Human Rights, Inc.

Notes to Financial Statements

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. 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 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

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, 2025, there have been no impairments.

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

Physicians for Human Rights, Inc.

Notes to Financial Statements

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

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, 2025, 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, 2025, 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 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.

Physicians for Human Rights, Inc.

Notes to Financial Statements

Use of Estimates

The preparation of financial statements in conformity with 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, 2025, 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, 2025.

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 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, 2025, there

Physicians for Human Rights, Inc.

Notes to Financial Statements

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, 2025, 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, these expenses are allocated on a reasonable basis that is consistently applied. Indirect costs that are allocated includes salaries and benefits, which are allocated based on estimated time spent on each function. The expenses that are allocated also include rent, utilities, internet, and telephone expense, which are allocated based on square footage usage. All other expenditures can be entirely attributed directly to specific functions and are fully recognized under that function.

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 GAAP. Accordingly, such information should be read in conjunction with PHR's financial statements for the year ended June 30, 2024.

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 that exceed the FDIC insurance limits. PHR has not experienced any losses on cash and cash equivalents.

Leases (Topic 842)

PHR adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The core principle of ASU 2016-02 is that a lessee should recognize the assets and liabilities that arise from leases, including operating leases. Under the new requirements, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use (ROU) asset representing the right to the underlying asset for the lease term. For leases with a term of 12 months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. PHR's ROU assets are included in operating lease right-of-use assets and lease liabilities are included in operating lease payable in the statement of financial position as of June 30, 2025. Rent expense is being recognized on a straight-line basis over the life of the leases. See Note 10 for further discussion.

Reclassifications

Certain prior-year amounts have been reclassified to conform to the current-year presentation. The reclassifications have no effect on net assets or operating results of the prior year.

Physicians for Human Rights, Inc.

Notes to 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, 2025

Cash and cash equivalents	\$	94,078
Investments, at fair value		1,413,134
Grants and contributions receivable		944,841
Total Financial Assets Available		2,452,053
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose or time		(1,152,537)
Total Financial Assets Available to Management for General Expenditures Within One Year	\$	1,299,516

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.

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, 2025

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	\$ 1,413,134	\$ -	\$ -	\$ 1,413,134

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

Mutual Funds - PHR has investments in mutual funds. For these investments, PHR has ownership interest in the mutual fund but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. Each mutual fund's net asset value (NAV) is the value of a single share, which is actively traded on national securities exchanges. The mutual funds are valued at the last unadjusted quoted NAV of shares held on a daily basis and are classified as Level 1.

PHR had no financial assets or financial liabilities that were measured at fair value on a non-recurring basis during the year ended June 30, 2025. In addition, there were no transfers between levels during the year ended June 30, 2025.

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

Physicians for Human Rights, Inc.

Notes to Financial Statements

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. Grants and contributions receivable, net, consisted of receivables due in less than one year of \$944,841.

Subsequent to year-end, approximately \$342,440 of these receivables was collected.

6. Fixed Assets, Net

Fixed assets consist of the following:

June 30, 2025

Furniture and equipment	\$	275,420
Leasehold improvements		125,676
		401,096
Less: accumulated depreciation		(401,096)
Total Fixed Assets, Net	\$	-

For the year ended June 30, 2025, depreciation expense was \$3,219.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following:

June 30, 2025

Time-restricted	\$	530,000
Purpose-restricted:		
Sexual Violence in Conflict Zones		143,205
Peace and Stabilization Operations Program		479,332
Total Net Assets with Donor Restrictions	\$	1,152,537

Net assets released from donor restrictions consist of the following:

Year ended June 30, 2025

Sexual Violence in Conflict Zones	\$	381,876
Peace and Stabilization Operations Program		542,185
Total Net Assets Released from Donor Restrictions	\$	924,061

Physicians for Human Rights, Inc.

Notes to Financial Statements

8. Contributed Nonfinancial Assets

PHR receives contributions of medical and scientific consultations, research, and representation legal services that qualify for financial statement recognition. The fair value of contributed items totaled \$520,187 for the year ended June 30, 2025, which is included in contributed nonfinancial assets 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, 2025:

	Revenue Recognized	Donor Restrictions	Valuation Techniques and Inputs
Physicians' services	\$ 381,264	No associated donor restrictions.	Values are based on prevailing rates of professional time.
Legal services	138,923	No associated donor restrictions.	Values are based on prevailing rates of professional time.
	\$ 520,187		

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 \$166,831 during the year ended June 30, 2025.

10. Commitments and Contingencies

Operating Leases

PHR adopted the provisions of ASU 2016-02, *Leases (Topic 842)*, effective July 1, 2022. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and the criteria included in ASC 842, *Leases*. PHR leases its main offices in New York, New York under a noncancelable lease through March 2034.

For leases with initial terms of greater than one year (or initially, greater than one year remaining under the lease at the date of the adoption of ASC 842), PHR records the related ROU assets and liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless PHR is reasonably certain to exercise the option to extend the lease. The present value of the lease payments is calculated by using the risk-free rate based on the information available at the date of adoption. PHR has made an accounting policy election not to separate lease components from non-lease components when determining its lease payments for all of its asset classes, as permitted by ASC 842. As such, PHR accounts for the applicable non-lease components together with the related lease components when determining the ROU assets and liabilities. PHR has made an accounting policy election not to record leases with an initial term of less than one year as ROU assets and liabilities in the statement of financial position. PHR has elected the package of practical expedients, which includes not reassessing whether any expired or existing contracts contain leases,

Physicians for Human Rights, Inc.

Notes to Financial Statements

not reassessing the lease classification for any expired or existing leases, and an entity not reassessing initial direct costs for any leases.

The following tables summarize information related to the lease assets and liabilities:

Year ended June 30, 2025

Operating Lease Right-of-Use Asset	\$	1,342,663
Current portion of operating lease liabilities	\$	185,075
Operating lease liabilities		1,383,597
Total Operating Lease Liability	\$	1,568,672

Year ended June 30, 2025

Total Operating Lease Cost	\$	131,655
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June 30, 2025

Other information:

Operating cash flows from operating leases	\$	(56,778)
Weighted-average remaining lease term - operating leases		8.71 years
Weighted-average discount rate - operating leases		3.79%

For operating leases, ROU assets are recorded in operating lease ROU assets and lease liabilities are recorded in operating lease liabilities in the accompanying statement of financial position.

The following table reconciles the undiscounted operating lease payments to the lease liability recorded on the accompanying statement of financial position at June 30, 2025:

Year ending June 30,

2026	\$	181,604
2027		185,236
2028		188,941
2029		198,247
2030		213,266
Thereafter		870,135
		1,837,429
Less: interest		(268,757)
		1,568,672
Less: current portion		(185,075)
Total	\$	1,383,597

Additionally, PHR leases various office space under a tenant-at-will arrangement. Aggregate rent expense was \$43,808 for the year ended June 30, 2025.

Physicians for Human Rights, Inc.

Notes to Financial Statements

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, they do not meet the criteria for consolidation under ASC 958-810. At June 30, 2025, 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 a non-reimbursement basis. For the year ended June 30, 2025, grant expense to PHR Kenya amounted to \$150,338 and DRC to \$45,000.

12. Subsequent Events

Management has performed subsequent events procedures through February 27, 2026, 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.