Human Rights First

Financial Statements
Years Ended December 31, 2016 and 2015

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.

Human Rights First

Financial Statements

Years Ended December 31, 2016 and 2015

Contents

Tel: +212 885-8000
Fax: +212 697-1299
www.bdo.com

100 Park Avenue
New York, NY 10017

Independent Auditor's Report

Board of Directors
Human Rights First
New York, New York

We have audited the accompanying financial statements of Human Rights First (the "Organization"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Human Rights First as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

April 27, 2017

Human Rights First

Statements of Financial Position

December 31,	**2016**	2015
Assets		
Current Assets:		
Cash and cash equivalents (Note 2)	**$ 341,889**	$ 951,036
Restricted cash (Note 12)	**509,771**	509,639
Investments at fair value (Notes 2 and 3)	**1,672,646**	1,892,918
Grants and pledges receivable, net, current portion (Notes 2 and 4)	**3,463,268**	3,068,000
Other receivables	**158,314**	174,714
Prepaid expenses and other assets	**327,814**	283,750
Total Current Assets	**6,473,702**	6,880,057
Grants and Pledges Receivable, Net, Less Current Portion (Notes 2 and 4)	**128,178**	1,386,137
Security Deposit	**1,656**	1,656
Fixed Assets, Net (Notes 2 and 5)	**1,051,679**	1,414,597
	$ 7,655,215	$ 9,682,447
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable, accrued expenses and other liabilities	**$ 651,407**	$ 631,148
Accrued payroll and related liabilities	**143,565**	147,660
Deferred Rent (Note 12)	**857,653**	802,554
Total Liabilities	**1,652,625**	1,581,362
Commitments (Notes 6 and 12)		
Net Assets:		
Unrestricted - deficit (Notes 2, 7, 8, 9 and 10)	**(4,512,866)**	(3,387,773)
Temporarily restricted (Notes 9 and 10)	**9,515,456**	10,488,858
Permanently restricted (Note 10)	**1,000,000**	1,000,000
Total Net Assets	**6,002,590**	8,101,085
	$ 7,655,215	$ 9,682,447

See accompanying notes to financial statements.

Human Rights First

Statement of Activities

Year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support:				
Grants, pledges and contributions	$ 6,296,869	$ 4,079,268	$ -	**$10,376,137**
Contributed program services (Note 11)	57,514,945	-	-	**57,514,945**
Interest and dividend income	25,156	31,461	-	**56,617**
Net realized and unrealized loss on investments (Note 3)	(8,972)	(5,622)	-	**(14,594)**
Other income (Note 12)	721,268	-	-	**721,268**
Net assets released from restrictions (Note 9)	5,078,509	(5,078,509)	-	**-**
Total Revenues and Other Support	69,627,775	(973,402)	-	**68,654,373**
Expenses:				
Program services:				
Refugees	62,580,983	-	-	**62,580,983**
National Security	1,551,483	-	-	**1,551,483**
General Advocacy	441,879	-	-	**441,879**
Pillar Project	144,072	-	-	**144,072**
Anti-Semitism and Extremism	515,645	-	-	**515,645**
Anti-Trafficking Campaign	772,770	-	-	**772,770**
LGBTI	369,792	-	-	**369,792**
American Foreign Policy and Human Rights	761,782	-	-	**761,782**
Communications	933,144	-	-	**933,144**
Other programs	154,903	-	-	**154,903**
Total Program Services	68,226,453	-	-	**68,226,453**
Supporting services:				
Management and general	1,342,232	-	-	**1,342,232**
Fundraising and development	1,184,183	-	-	**1,184,183**
Total Supporting Services	2,526,415	-	-	**2,526,415**
Total Expenses	70,752,868	-	-	**70,752,868**
Change in Net Assets	(1,125,093)	(973,402)	-	**(2,098,495)**
Net (Deficit) Assets, Beginning of Year	(3,387,773)	10,488,858	1,000,000	**8,101,085**
Net (Deficit) Assets, End of Year	**$ (4,512,866)**	**$ 9,515,456**	**$1,000,000**	**$ 6,002,590**

See accompanying notes to financial statements.

Human Rights First

Statement of Activities

Year ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support:				
Grants, pledges and contributions	$ 6,156,250	$ 5,000,000	$ -	$11,156,250
Contributed program services (Note 12)	46,517,621	-	-	46,517,621
Interest and dividend income	55,224	42,913	-	98,137
Realized and unrealized gain (loss) on investments (Note 3)	1,190	(48,164)	-	(46,974)
Other income (Note 13)	533,749	-	-	533,749
Net assets released from restrictions (Note 9)	2,825,792	(2,825,792)	-	-
Total Revenues and Other Support	56,089,826	2,168,957	-	58,258,783
Expenses:				
Program services:				
Refugees	50,981,387	-	-	50,981,387
National Security	1,421,847	-	-	1,421,847
Human Rights Outreach	260,327	-	-	260,327
Pillar Project	1,040,837	-	-	1,040,837
Anti-Semitism and Extremism	338,939	-	-	338,939
Anti-Trafficking Campaign	950,188	-	-	950,188
LGBTI	342,678	-	-	342,678
Middle East	230,235	-	-	230,235
FATF	70,287	-	-	70,287
Communications	1,834,350	-	-	1,834,350
Other programs	631,658	-	-	631,658
Total Program Services	58,102,733	-	-	58,102,733
Supporting services:				
Management and general	1,387,257	-	-	1,387,257
Fundraising and development	1,405,150	-	-	1,405,150
Total Supporting Services	2,792,407	-	-	2,792,407
Total Expenses	60,895,140	-	-	60,895,140
Change in Net Assets	(4,805,314)	2,168,957	-	(2,636,357)
Net Assets, Beginning of Year	1,417,541	8,319,901	1,000,000	10,737,442
Net (Deficit) Assets, End of Year	$ (3,387,773)	$10,488,858	$1,000,000	$ 8,101,085

See accompanying notes to financial statements.

Human Rights First

Statement of Functional Expenses

Year ended December 31, 2016

	Program Services											Supporting Services			
	Refugees	National Security	General Advocacy	Pillar Project	Anti-Semitism and Extremism	Anti-Trafficking Campaign	LGBTI	American Foreign Policy and Human Rights	Communications	Other Programs	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total
Salaries and Related Expenses:															
Salaries	$ 3,246,262	$ 780,550	$170,374	$ 84,976	$191,711	$439,790	$214,206	$471,396	$ 479,031	$ 91,894	$ 6,170,190	$ 619,232	$ 542,461	$1,161,693	**$ 7,331,883**
Payroll taxes and fringe benefits	769,423	188,135	36,882	28,261	43,372	104,805	50,994	100,859	119,017	23,041	1,464,789	145,696	138,936	284,632	**1,749,421**
Total Salaries and Related Expenses	4,015,685	968,685	207,256	113,237	235,083	544,595	265,200	572,255	598,048	114,935	7,634,979	764,928	681,397	1,446,325	**9,081,304**
Other Expenses:															
Consultants and professional fees	110,409	65,444	107,823	104	25,209	26,413	6,017	549	33,751	112	375,831	35,444	16,800	52,244	**428,075**
Legal and related services (Note 11)	56,997,299	242,856	26,600	-	133,607	55,625	-	-	-	-	57,455,987	58,958	-	58,958	**57,514,945**
Travel and meals	87,530	10,117	15,059	47	16,175	12,511	13,702	30,056	7,968	1,081	194,246	9,325	12,858	22,183	**216,429**
Printing	7,661	98	31	11	3,897	1,126	443	561	97	12	13,937	-	20,451	20,451	**34,388**
Photo, video and advocacy	-	-	412	-	-	-	-	-	10,536	-	10,948	-	-	-	**10,948**
Dues, subscriptions and books	15,172	9,920	14,084	814	1,073	43	80	226	553	10,415	52,380	1,894	2,425	4,319	**56,699**
Staff training and seminars	16,139	6,297	551	284	81	900	4,014	392	7,323	33	36,014	12,032	100	12,132	**48,146**
Events and conferences	87,634	13,828	23,255	171	46,920	1,602	17,426	19,908	78,573	184	289,501	7,815	247,221	255,036	**544,537**
Legal and filing fees	3,309	15	5	2	4	8	4	9	14	2	3,372	732	-	732	**4,104**
On-line services	52	185	-	288	-	-	-	-	45,187	-	45,712	2	-	2	**45,714**
Postage and delivery	17,052	1,955	433	247	472	1,050	512	1,133	1,421	220	24,495	2,420	17,684	20,104	**44,599**
Recruiting	3,001	4,948	19	7	18	33	17	35	481	7	8,566	3,012	370	3,382	**11,948**
Occupancy	826,927	147,142	28,469	20,278	34,141	82,823	40,733	86,055	93,217	18,515	1,378,300	340,989	97,963	438,952	**1,817,252**
Telephone and website	77,886	17,463	3,851	1,925	3,723	10,554	4,450	12,569	14,103	1,834	148,358	17,784	12,322	30,106	**178,464**
Copying	33,484	5,949	1,269	573	1,469	3,403	1,630	3,662	3,712	700	55,851	14,674	3,901	18,575	**74,426**
Office supplies	23,062	2,318	929	270	559	1,329	634	1,366	3,289	301	34,057	8,756	3,022	11,778	**45,835**
Bank, investment management and payroll fees	28,940	4,405	1,164	348	1,138	2,576	1,214	2,728	3,356	531	46,400	11,311	21,874	33,185	**79,585**
Repairs, maintenance and rental	52,115	6,206	1,457	503	1,596	3,564	1,790	4,117	4,162	740	76,250	25,038	15,698	40,736	**116,986**
Miscellaneous	4,191	38	12	4	11	96	61	(1)	36	87	4,535	1,490	434	1,924	**6,459**
Total Expenses Before Depreciation and Amortization	62,407,548	1,507,869	432,679	139,113	505,176	748,251	357,927	735,620	905,827	149,709	67,889,719	1,316,604	1,154,520	2,471,124	**70,360,843**
Depreciation and Amortization	173,435	43,614	9,200	4,959	10,469	24,519	11,865	26,162	27,317	5,194	336,734	25,628	29,663	55,291	**392,025**
Total Expenses	**$62,580,983**	**$1,551,483**	**$441,879**	**$144,072**	**$515,645**	**$772,770**	**$369,792**	**$761,782**	**$ 933,144**	**$154,903**	**$68,226,453**	**$1,342,232**	**$1,184,183**	**$2,526,415**	**$70,752,868**

See accompanying notes to financial statements.

Human Rights First

Statement of Functional Expenses

Year ended December 31, 2015

	Program Services												Supporting Services			
	Refugees	National Security	Human Rights Outreach	Pillar Project	Anti-Semitism and Extremism	Anti-Trafficking Campaign	LGBTI	Middle East	FATF	Communications	Other Programs	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total
Salaries and Related Expenses:																
Salaries	$ 3,150,965	$ 746,373	$130,021	$ 212,582	$ 88,939	$405,236	$181,648	$117,954	$42,509	$ 929,951	$395,883	$ 6,402,061	$ 642,841	$ 736,344	$1,379,185	$ 7,781,246
Payroll taxes and fringe benefits	728,444	185,579	28,093	50,298	21,976	100,301	39,674	23,600	9,264	232,479	106,150	1,525,858	150,562	183,527	334,089	1,859,947
Total Salaries and Related Expenses	3,879,409	931,952	158,114	262,880	110,915	505,537	221,322	141,554	51,773	1,162,430	502,033	7,927,919	793,403	919,871	1,713,274	9,641,193
Other Expenses:																
Consultants and professional fees	223,047	109,372	33,407	196	23,787	8,412	14,079	7,289	42	94,646	381	514,658	34,663	470	35,133	549,791
Legal and related services (Note 12)	45,188,497	119,725	-	716,769	143,388	268,424	-	-	-	16,307	-	46,453,110	64,511	-	64,511	46,517,621
Travel and meals	138,892	27,027	18,248	6,442	36,417	18,678	37,645	28,697	5,867	11,797	15,240	344,950	18,227	14,985	33,212	378,162
Printing	4,696	16	3	4	2	1,194	1,986	1,324	1	13,557	7	22,790	591	290	881	23,671
Photo, video and advocacy	3,400	(21,085)	7	8	245	2,037	388	135	2	25,459	16	10,612	1,040	92	1,132	11,744
Dues, subscriptions and books	20,610	901	17,525	1,367	80	85	2,056	119	28	1,508	15,082	59,361	3,803	3,575	7,378	66,739
Staff training and seminars	47,872	7,599	124	1,428	131	3,965	4,095	1,060	33	7,097	1,763	75,167	24,419	4,930	29,349	104,516
Events and conferences	75,082	40,459	343	2,092	2,828	40,963	17,148	17,687	93	169,731	833	367,259	8,260	228,235	236,495	603,754
Legal and filing fees	9,136	207	40	50	30	104	53	35	11	960	257	10,883	8,804	92	8,896	19,779
On-line services	-	38	-	361	-	-	-	-	-	68,819	-	69,218	-	-	-	69,218
Postage and delivery	14,725	1,032	176	247	138	553	267	177	61	146	604	18,126	2,144	24,665	26,809	44,935
Recruiting	1,710	4,489	789	10	6	30	10	7	2	5,889	19	12,961	1,717	-	1,717	14,678
Occupancy	926,666	120,990	18,433	29,653	12,214	59,322	26,462	19,579	7,232	147,860	56,318	1,424,729	277,151	104,738	381,889	1,806,618
Telephone and website	61,227	16,134	3,049	3,454	1,707	8,217	3,407	2,322	1,431	23,155	8,690	132,793	12,281	15,235	27,516	160,309
Copying	15,638	3,540	503	805	425	1,843	768	456	181	4,399	2,198	30,756	2,886	3,262	6,148	36,904
Office supplies	83,347	2,930	711	757	429	1,910	787	585	181	10,154	1,814	103,605	17,998	14,182	32,180	135,785
Bank, investment management and payroll fees	28,921	4,830	930	1,396	758	2,560	1,213	824	295	6,367	1,814	49,908	10,376	21,528	31,904	81,812
Repairs, maintenance and rental	87,529	10,576	1,797	2,720	1,228	5,579	2,420	1,848	663	13,887	5,200	133,447	58,903	11,283	70,186	203,633
Miscellaneous	6,675	226	28	36	22	338	37	24	7	152	69	7,614	5,967	926	6,893	14,507
Total Expenses Before Depreciation and Amortization	50,817,079	1,380,958	254,227	1,030,675	334,750	929,751	334,143	223,722	67,903	1,784,320	612,338	57,769,866	1,347,144	1,368,359	2,715,503	60,485,369
Depreciation and Amortization	164,308	40,889	6,100	10,162	4,189	20,437	8,535	6,513	2,384	50,030	19,320	332,867	40,113	36791	76,904	409,771
Total Expenses	$50,981,387	$1,421,847	$260,327	$1,040,837	$338,939	$950,188	$342,678	$230,235	$70,287	$1,834,350	$631,658	$58,102,733	$1,387,257	$1,405,150	$2,792,407	$60,895,140

See accompanying notes to financial statements.

Human Rights First

Statements of Cash Flows

Year ended December 31,	**2016**	2015
Cash Flows From Operating Activities:		
Change in net assets	**$(2,098,495)**	$(2,636,357)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	**392,025**	409,771
Change in present value of pledges receivable	**(12,036)**	(10,512)
Unrealized gain on investments	**(52,782)**	(100,615)
Realized loss on investments	**38,188**	53,641
Donated securities	**-**	(7,859)
(Increase) decrease in:		
Grants and pledges receivable	**874,727**	825,049
Other receivables	**16,400**	(61,155)
Prepaid expenses and other assets	**97,858**	31,358
Security deposit	**-**	(3)
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	**(121,663)**	25,042
Accrued payroll and related liabilities	**(4,095)**	-
Deferred rent	**55,099**	302,539
Net Cash Used In Operating Activities	**(814,774)**	(1,169,101)
Cash Flows From Investing Activities:		
Increase in restricted cash	**(132)**	(34,277)
Proceeds from sale of investments	**3,110,962**	4,527,934
Purchase of investments	**(2,876,096)**	(2,259,151)
Purchases of fixed assets	**(29,107)**	(197,363)
Net Cash Provided By Investing Activities	**205,627**	2,037,143
Net (Decrease) Increase in Cash and Cash Equivalents	**(609,147)**	868,042
Cash and Cash Equivalents, Beginning of Year	**951,036**	82,994
Cash and Cash Equivalents, End of Year	**$ 341,889**	$ 951,036

See accompanying notes to financial statements.

1. Nature of Organization

(a) Human Rights First (the "Organization"), founded in 1978, is an independent advocacy and action organization that challenges America to live up to its ideals. The Organization, believing American leadership is essential in the global struggle for human rights, presses the U.S. government and private companies to respect human rights and the rule of law, creating the political environment and policy solutions necessary to ensure consistent respect for human rights. For more than 35 years, the Organization has built bipartisan coalitions and teamed with frontline activists and lawyers to tackle global challenges that demand American leadership.

The Organization was under the auspices of the International League of Human Rights until July 31, 1982. Effective August 1, 1982, The Lawyers Committee for International Human Rights split off from the International League for Human Rights and began separate activities. In September 1986, the Organization changed its name to the Lawyers Committee for Human Rights. During the year ended May 31, 2004, the Organization changed its name to Human Rights First.

(b) As shown in the financial statements, the Organization has a deficit in unrestricted net assets in the amount of $4,512,866 at December 31, 2016 and recurring losses of $2,098,495 and $2,636,357 for the years ended December, 2016 and 2015, respectively. The Organization funded these losses with its cash reserves. Management has formulated plans to strengthen the financial position of the Organization going forward by pursuing new or expanded funding initiatives, implementing various reductions in operating costs and capital expenditures, and streamlining activities.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Organization have been prepared on an accrual basis and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations. In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented in order of their maturity resulting in the use of cash, respectively.

(b) Financial Statement Presentation

The classification of the 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 class of net assets, permanently restricted, temporarily restricted and unrestricted, 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:

(i) **Permanently Restricted -** Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The income and net capital appreciation from all permanently restricted assets are available for unrestricted and temporarily restricted purposes.

(ii) **Temporarily Restricted -** Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

(iii) **Unrestricted –** That part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations and/or the net assets which the Board of Directors has designated for future operations of the Organization.

(c) Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less at time of purchase to be cash equivalents.

(d) Fair Value Measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, "Fair Value Measurement," establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Under ASC 820, fair value is defined 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. Observable inputs are inputs that market participants operating within the same marketplace as the Organization would use in pricing the Organization's asset or liability based on independently derived and objectively determinable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Organization are traded. The Organization estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use as determined by the money managers administering each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Level 1 – Valuation based on unadjusted quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 – Valuation based on inputs that are unobservable and significant to the fair value measurement which reflect management's best estimate of what market participants would use as fair value.

(e) Contributions and Grants

Contributions and grants are recorded as revenue when either unsolicited cash is received or when donors make a written promise to give. Contributions and grants are classified as either unrestricted, temporarily restricted or permanently restricted support. Contributions to be received over periods longer than one year are discounted at interest rates commensurate with the risk involved.

(f) Contributed Services

Contributed services are recognized as revenue and expenses if services meet the criteria for recognition as stated in ASC 958, "Not-for-Profit Entities."

(g) *Contract Revenue and Deferred Revenue*

Revenues derived from contracts are treated as exchange transactions. Revenues are recognized as the Organization incurs the related expenses, up to the maximum award received. Amounts received in excess of expenditure are classified as deferred revenue until such time as they are utilized for their specific purpose.

(h) *Fixed Assets*

Fixed assets are stated at their original cost. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the assets and is reported for financial statement purposes as follows:

Furniture and fixtures	5 years
Computers and equipment and software	3 years

Leasehold improvements are amortized over the shorter of the useful life or the respective lease term.

(i) *Impairment of Long-Lived Assets to be Disposed of*

The Organization follows ASC 360, "Accounting for the Impairment or Disposal of Long-Lived Assets," which requires the Organization to review long-lived assets, including property and equipment and intangible 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. For the years ended December 31, 2016 and 2015, there have been no such losses.

(j) *Income Taxes*

The Organization is a charitable organization that is exempt from Federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), and therefore has made no provision for income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service ("IRS") not to be a "private foundation" within the meaning of Section 509(a) of the Code and qualifies for the maximum charitable contribution deduction by individual donors. There was no unrelated business income for 2016 and 2015.

Under ASC 740, "Income Taxes," an organization must recognize a tax liability for the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the required jurisdictions. For the years ended December 31, 2016 and 2015, there were no interest or penalties recorded or included in the statements of activities. The Organization is subject to routine audit by a taxing authority. As of December 31, 2016 and 2015, the Organization was not subject to any examination by a taxing authority.

(k) 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 and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(l) Net Asset Classification

In 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). This law, which is a modified version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), made significant changes to the rules governing how New York not-for-profit organizations may manage, invest and spend their endowment funds. The law is designed to allow organizations to cope more easily with fluctuations in the value of their endowments and to afford them greater access to funds needed to support their programs and services in difficult financial times. It also expanded the options available to organizations seeking relief from donor restrictions on funds that have become obsolete, impracticable or wasteful. NYPMIFA applies to New York not-for-profit, education and religious corporations, associations organized and operated exclusively for charitable purposes, and certain trusts. The adoption of this law did not have a material effect on the Organization's financial statements.

(m) Recent Accounting Developments

(i) Investments Using Net Asset Value

In May 2015, the FASB issued Accounting Standards Update ("ASU") 2015-07, "Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)." ASU 2015-07 was issued to address diversity in practice related to how certain investments measured at net asset value ("NAV") with redemption dates in the future (including periodic redemption dates) are categorized within the fair value hierarchy. The amendments eliminate the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient. As such, certain fair value levelling disclosures are no longer required, although information must be disclosed so that users can reconcile amounts reported in the fair value hierarchy to the combined statement of financial position. The amendments are effective retrospectively for annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The Organization has elected to early adopt ASU 2015-07.

(ii) Revenue From Contracts With Customers

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

(iii) Leases

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

(iv) Not-for-Profit Entities and Health Care Entities – Presentation of Financial Statements of Not-for-Profit Entities

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

(n) Provision for Doubtful Accounts

The Organization maintains an allowance for doubtful accounts for grants and pledges receivable which are specifically identified by management as to their uncertainty in regards to collectibility.

(o) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services based on benefits received.

(p) Expenses

Expenses, including advertising costs, are recorded when incurred.

(q) Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits. At various times during the year, the Organization may have cash deposits at financial institutions in excess of FDIC insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

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

(r) Investment Income

Investment income and related income and expenses are recorded on a trade-date basis. Realized and unrealized gains and losses are reported in the statements of activities as change in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions.

(s) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

3. Investments and Fair Value Measurements

The Organization's cost and fair value of investments are as follows:

December 31, 2016

	Fair Value	Cost
Money market funds	**$ 37,755**	**$ 37,755**
Fixed income securities	**354,107**	**361,360**
Mutual funds	**1,022,832**	**1,031,739**
Private agency loan fund	**257,952**	**257,952**
	$1,672,646	**$1,688,806**

December 31, 2015

	Fair Value	Cost
Money market funds	$ 15,236	$ 15,236
Fixed income securities	307,762	313,297
Mutual funds	1,065,077	1,099,122
Private agency loan fund	504,843	504,843
	$1,892,918	$1,932,498

Net investment income consisted of the following:

Year ended December 31,	**2016**	2015
Interest and dividend income	**$ 56,617**	$ 98,137
Net loss on investments	**(14,594)**	(46,974)
	$ 42,023	$ 51,163

The Organization's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820. See Note 2(d) for a discussion of the Organization's policies regarding this hierarchy.

A description of the valuation techniques applied to the Organization's major categories of assets and liabilities measured at fair value are as follows:

Money Market Funds

Money market funds are stated at cost which approximates fair value and are classified as Level 1.

Equities

For its investments with asset managers that hold public common and preferred stocks, the Organization has position level transparency into individual holdings. These investments are priced by the Organization's investment manager using nationally recognized pricing services based on observable market data and are classified as Level 1.

Fixed Income Securities

The Organization has investments in fixed income securities comprised of closed-end funds and exchanged-traded products. These investments are priced by the Organization's investment manager using nationally recognized pricing services based on observable market data and are classified as Level 1.

Mutual Funds

The Organization has investments in mutual funds. For these investments, the Organization 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 NAV is the value of a single share which is actively traded on national securities exchanges. The mutual funds are valued on a daily basis at the close of business day. These funds are valued primarily on the basis of market quotation or on the basis of information furnished by a nationally recognized pricing service based on observable market data and are classified as Level 1.

Private Agency Loan Fund

The Organization has an investment in a fund held through a foundation of philanthropic funds. The philanthropic funds primarily consist of money market funds and loans valued at the market rate. As of December 31, 2016, the cost of this investment approximates the fair value. The private agency loan fund is classified as a Level 2 measurement of the fair value hierarchy.

The following tables present the level within the fair value hierarchy at which the Organization's financial assets and financial liabilities are measured on a recurring basis at December 31, 2016 and 2015. The assets are presented on a desegregated basis by class, determined by the nature and risk associated with the investment.

December 31, 2016

	Total at December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money market funds	**$ 37,755**	**$ 37,755**	**$ -**
Fixed income securities	**354,107**	**354,107**	**-**
Mutual funds	**1,022,832**	**1,022,832**	**-**
Private agency loan fund	**257,952**	**-**	**257,952**
Total	**$1,672,646**	**$1,414,694**	**$257,952**

December 31, 2015

	Total at December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money market funds	$ 15,236	$ 15,236	$ -
Fixed income securities	307,762	307,762	-
Mutual funds	1,065,077	1,065,077	-
Private agency loan fund	504,843	-	504,843
Total	$1,892,918	$1,388,075	$504,843

The Organization had no financial assets or financial liabilities that were measured at fair value on a nonrecurring basis during the years ended December 31, 2016 and 2015. In addition, there were no transfers between levels during the year ended December 31, 2016.

4. Grants and Pledges Receivable

At December 31, 2016 and 2015, the net present value of grants and pledges receivable is $3,591,443 and $4,454,137, respectively. Net present value was calculated using a discounted rate equal to the estimated earnings rate of the Organization cash equivalents from the investment portfolio. At December 31, 2016 and 2015, the estimated earnings rate of the Organization's cash equivalents was calculated to be approximately 1% for both years.

Net present value of grants and pledges receivable at December 31, 2016 and 2015 is summarized below:

December 31,	**2016**	2015
Total grants and pledges receivable	**$3,593,268**	$4,467,998
Discount ranging between 1% and 2%	**(1,825)**	(13,861)
	$3,591,443	$4,454,137

Grants and pledges receivable consist of the following at December 31, 2016 and 2015:

December 31,	**2016**	2015
Amounts expected to be collected in:		
Less than one year	**$3,463,268**	$3,068,000
Two to five years	**128,175**	1,386,137
	$3,591,443	$4,454,137

5. Fixed Assets, Net

Fixed assets, net, consist of the following:

December 31,	**2016**	2015
Furniture and fixtures	**$ 478,022**	$ 478,022
Computers and equipment and software	**869,460**	840,353
Leasehold improvements	**1,192,849**	1,192,849
	2,540,331	2,511,224
Less: Accumulated depreciation and amortization	**(1,488,652)**	(1,096,627)
	$ 1,051,679	$ 1,414,597

Depreciation and amortization expense for the years ended December 31, 2016 and 2015 was $392,025 and $409,771, respectively.

During 2016 and 2015, the Organization wrote off approximately $-0- and $86,000, respectively, for fully depreciated assets.

6. Retirement Plans

The Organization has a defined contribution retirement plan (the “Plan”) under Section 403(b) of the Code. Participating employees make pre-tax contributions of up to the maximum allowable IRS limitation. All employees who are at least 21 years of age are eligible to participate in the Plan. The Organization’s expense for the Plan was $242,344 and $266,298 for the years ended December 31, 2016 and 2015, respectively.

The Organization also has a defined contribution retirement plan under Section 457(b) of the Code (the “457(b) Plan”). The 457(b) is open to a select group of management employees of the Organization. The Organization may contribute up to the maximum allowable amounts as defined by The Employee Retirement Income Security Act of 1974 (“ERISA”) for the calendar year in which the contribution is made. The Organization made no contributions to the 457(b) for the years ended December 31, 2016 and 2015. Participant employees may make pre-tax deferrals up to the IRS limit for any taxable year. The pre-tax deferral limit for 2016 and 2015 was $18,000. The market value of the participants' account balance at December 31, 2016 and 2015 was $269,882 and $276,817, respectively, and is included in other assets and other liabilities on the statement of financial position.

7. Board Designated Reserve Fund for Future Operations

The management and Board of Directors of the Organization have earmarked $2,500,000 to establish a reserve fund. The Board established this reserve fund as a contingency reserve requiring explicit Board of Director approval prior to its use.

At December 31, 2016 and 2015, the unfunded reserve fund is as follows:

December 31,	**2016**	2015
Board-designated Reserve Fund	**$2,500,000**	$2,500,000

8. Temporarily Restricted Net Assets

The temporarily restricted net assets consist of:

December 31,	**2016**	2015
Time restricted	**$6,844,243**	$ 6,787,965
National Security	**710,445**	1,021,839
Anti-Semitism Campaign	**145,000**	204,054
General Advocacy	**10,800**	-
Refugees	**1,804,968**	2,475,000
	$9,515,456	$10,488,858

9. Net Assets Released From Restrictions

During the years ended December 31, 2016 and 2015, temporarily restricted net assets of $5,078,509 and $2,825,792, respectively, were released from restrictions.

The temporarily restricted net assets were released for the benefit of the following programs:

December 31,	**2016**	2015
Time restricted	**$1,427,061**	$ -
National Security	**1,311,394**	1,304,845
Anti-Semitism and Extremism	**214,054**	195,946
Refugees	**2,125,000**	1,325,001
Anti-trafficking	**1,000**	-
	$5,078,509	$2,825,792

10. Endowment Fund

In December 2011, the Organization received a donor-restricted endowment of $1,000,000 to be held in perpetuity in a separate permanent fund (the “Fund”). Under the terms of the endowment agreement, the donor must approve both the investment of the Fund and any distributions made from the Fund. In addition, the donor may at any time direct any part or the entire Fund to be distributed to promote the policies and projects of the Organization.

The Board of Directors of the Organization has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Organization has classified the Fund as part of permanently restricted net assets which includes the following:

- the original value of gifts donated to the permanent endowment;
- the original value of subsequent gifts to the permanent endowment; and
- accumulation of the permanent endowment made in accordance with the direction of applicable donor instructions.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor's intent. Subject to the intent of a donor expressed in the gift instrument, the Board may appropriate for expenditure or accumulate so much of an endowment fund as the Board determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established.

In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the fund;
- the purposes of the Organization and the donor-restricted endowment fund;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation of investments;
- where appropriate and circumstances would otherwise warrant alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization;
- the investment policies of the Organization; and
- other resources of the Organization.

The following tables provide reconciliation of the change in the Organization's investment income on endowment net assets for the years ended December 31, 2016 and 2015:

Year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	**$-**	**$ 111,291**	**$1,000,000**	**$1,111,291**
Transfers in	**-**	**(133,634)**	**-**	**(133,634)**
Net depreciation	**-**	**(5,622)**	**-**	**(5,622)**
Interest and dividend income	**-**	**31,461**	**-**	**31,461**
	$-	**$ 3,496**	**$1,000,000**	**$1,003,496**

Year ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$-	$116,542	$1,000,000	$1,116,542
Net depreciation	-	(48,164)	-	(48,164)
Interest and dividend income	-	42,913	-	42,913
	$-	$111,291	$1,000,000	$1,111,291

At December 31, 2016 and 2015, the fair market value of donor-restricted funds including related appreciation was $1,003,496 and $1,111,291, respectively, of which $1,000,000 is permanently restricted in both years. The breakdown of invested assets is as follows:

December 31, 2016

Money market funds	**$ 16,311**
Fixed income securities	**248,437**
Mutual funds	**738,748**
	$1,003,496

December 31, 2015

Money market funds	$ 12,119
Fixed income securities	233,141
Mutual funds	866,031
	$1,111,291

The Organization has adopted investment and spending policies for endowment assets that attempt to provide sufficient income to meet various program and operational expenses, and to extend the pursuit of the Organization's mission in perpetuity.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation.

For gift instruments executed upon or after September 17, 2010, the Organization may appropriate for distribution each year 7% of the fair market value of an endowment fund calculated on a basis of market values determined at least quarterly and averaged over a period of not less than five years immediately preceding the year in which the appropriation for expenditure is made. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow annually.

11. Contributed Services

A substantial number of unpaid volunteers, primarily attorneys, have made significant contributions of their time to develop the Organization's programs in the preservation of human rights. For the years ended December 31, 2016 and 2015, the value of this contributed time has been included in these financial statements as contributed program service revenue and legal and related expenses in the amount of $57,412,150 and $46,517,621, respectively. For these contributed services, the time allotted by the respective law firms for the years ended December 31, 2016 and 2015 totaled approximately 107,869 and 90,184 hours, respectively, which yielded an average hourly rate of $521 and $516, respectively.

12. Commitments

The Organization leases office space located at 333 Seventh Avenue, New York, NY under arrangements expiring October 31, 2017. The Organization signed a lease agreement for an 11-year period for a second New York City office space located at 75 Broad Street, New York, NY which began on November 1, 2014. The Organization received a rent credit in the amount of $329,640 over the life of the lease and this amount is being amortized equally over the lease term.

The Organization signed a lease agreement for a 10-year period for the Washington D.C. office which began on January 1, 2013. The Organization received a rent credit in the amount of $307,048 over the life of the lease and this amount is being amortized equally over the lease term.

The Organization's lease agreement for the Houston office space expires on March 31, 2018.

Under U.S. GAAP, all rental payments, including fixed rent increases, less any rental abatements, are recognized on a straight-line basis over the term of the respective lease. The difference between U.S. GAAP rent expense and the actual lease payments is reflected as deferred rent. At December 31, 2016 and 2015, $857,655 and $802,554, respectively, of deferred rent is included on the statements of financial position.

Future minimum annual lease payments are as follows:

Year ending December 31,	
2017	$ 1,471,358
2018	1,265,512
2019	1,299,077
2020	1,377,412
2021	1,411,856
Thereafter	3,833,105
	$10,658,320

Total rent expense for facilities for the years ended December 31, 2016 and 2015 was $1,629,588 and $1,692,621, respectively.

The Organization has entered into sublease agreements with various subtenants for the New York City office space located at 333 Seventh Avenue, New York, NY. For the years ended December 31, 2016 and 2015, total sublease income was $257,306 and $227,691, respectively, which is included in other income on the statements of activities.

Restricted Cash

Included within restricted cash on the statements of financial position are:

(i) Irrevocable letters of credit of $262,248 and $211,805 were accepted as security deposits by the landlords of the Washington, DC office space and the New York City office space located at 75 Broad Street, New York, NY, respectively. As of December 31, 2016 and 2015, the balance of the bank accounts holding the letters of credit, including accrued interest, is $476,004 and $475,892, respectively.

(ii) Security deposits received from subtenants of $33,767 for December 31, 2016 and 2015. These amounts are included in restricted cash on the statements of financial position.

13. Advertisement and Promotion Expenses

During the years ended December 31, 2016 and 2015, the Organization incurred advertising and promotion expenses in the amount of $14,341 and $49,878, respectively, to further advance the Organization's initiatives.

14. Subsequent Events

The Organization's management has performed subsequent events procedures through April 27, 2017, which is the date the financial statements were available to be issued. No events arose during the period which would require adjustments or additional disclosures.