Human Rights First

Financial Statements
Year Ended December 31, 2014

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Human Rights First

Contents

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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 statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Human Rights First as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2013 financial statements and our report, dated June 9, 2014, 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 December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

June 5, 2015

Human Rights First

Statement of Financial Position
(with comparative totals for 2013)

December 31,	**2014**	2013
Assets		
Current Assets:		
Cash and cash equivalents (Note 2)	**$ 82,994**	$ 858,369
Restricted cash (Note 13)	**475,362**	262,936
Investments at fair value (Notes 2 and 3)	**4,106,868**	6,639,362
Grants and pledges receivable, net, current portion (Notes 2 and 4)	**4,050,047**	3,875,540
Other receivables	**113,559**	97,860
Prepaid expenses and other assets	**315,108**	227,941
Total Current Assets	**9,143,938**	11,962,008
Grants and Pledges Receivable, Less Current Portion (Notes 2 and 4)	**1,218,627**	3,178,983
Security Deposit	**1,653**	89,922
Fixed Assets, Net (Notes 2 and 5)	**1,627,005**	520,089
	$11,991,223	$15,751,002
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable, accrued expenses and other liabilities	**$ 744,877**	$ 687,166
Deferred revenue (Note 2)	**8,889**	-
Total Current Liabilities	**753,766**	687,166
Deferred Rent (Note 13)	**500,015**	299,286
Total Liabilities	**1,253,781**	986,452
Commitments (Notes 6 and 13)		
Net Assets (Notes 2, 7, 8 and 10):		
Unrestricted	**(1,082,459)**	3,849,077
Unrestricted – Board designated fund for future operations	**2,500,000**	2,500,000
Total Unrestricted Net Assets	**1,417,541**	6,349,077
Temporarily restricted	**8,319,901**	7,415,473
Permanently restricted	**1,000,000**	1,000,000
Total Net Assets	**10,737,442**	14,764,550
	$11,991,223	$15,751,002

See accompanying notes to financial statements.

Human Rights First

Statement of Activities
(with comparative totals for 2013)

Year ended December 31,

	Unrestricted				Total	
	Current	Board Designated	Temporarily Restricted	Permanently Restricted	**2014**	2013
Revenues and Other Support:						
Grants, pledges and contributions	$ 4,753,541	$ -	$ 4,289,390	$ -	**$ 9,042,931**	$11,588,882
Contributed program services (Note 12)	39,692,619	-	-	-	**39,692,619**	33,420,691
Interest and dividend income	171,949	-	50,691	-	**222,640**	207,870
Realized and unrealized gain (loss) on investments	17,853	-	(9,553)	-	**8,300**	(99,603)
Other income (Note 13)	350,203	-	-	-	**350,203**	462,412
Net assets released from restrictions (Note 9)	3,426,100	-	(3,426,100)	-	**-**	-
Total Revenues and Other Support	48,412,265	-	904,428	-	**49,316,693**	45,580,252
Expenses:						
Program services:						
Refugees	43,415,926	-	-	-	**43,415,926**	36,765,499
National Security	1,028,862	-	-	-	**1,028,862**	1,032,658
Human Rights Outreach	694,089	-	-	-	**694,089**	206,688
Pillar Project	63,004	-	-	-	**63,004**	-
Anti-Semitism and Extremism	135,274	-	-	-	**135,274**	-
Human Trafficking	189,995	-	-	-	**189,995**	-
Atrocity Enablers	167,880	-	-	-	**167,880**	411,947
LGBTI	247,465	-	-	-	**247,465**	-
Communications	2,560,941	-	-	-	**2,560,941**	2,898,162
Other programs	1,807,046	-	-	-	**1,807,046**	988,942
Total Program Services	50,310,482	-	-	-	**50,310,482**	42,303,896
Supporting services:						
Management and general	1,591,561	-	-	-	**1,591,561**	1,449,121
Fundraising and development	1,441,758	-	-	-	**1,441,758**	1,468,436
Total Supporting Services	3,033,319	-	-	-	**3,033,319**	2,917,557
Total Expenses	53,343,801	-	-	-	**53,343,801**	45,221,453
Change in Net Assets	(4,931,536)	-	904,428	-	**(4,027,108)**	358,799
Net Assets, Beginning of Year	3,849,077	2,500,000	7,415,473	1,000,000	**14,764,550**	14,405,751
Net Assets (Deficit), End of Year	**$(1,082,459)**	**$2,500,000**	**$8,319,901**	**$1,000,000**	**$10,737,442**	$14,764,550

See accompanying notes to financial statements.

Human Rights First

Statement of Functional Expenses
(with comparative totals for 2013)

Year ended December 31,

	Program Services											Supporting Services			Total	
	Refugees	National Security	Human Rights Outreach	Pillar Project	Anti-Semitism and Extremism	Human Trafficking	Atrocity Enablers	LGBTI	Communications	Other Programs	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	**2014**	2013
Salaries and Related Expenses:																
Salaries	$ 2,129,151	$ 591,151	$429,428	$46,158	$ 65,154	$ 77,006	$ 99,129	$114,390	$ 896,300	$1,051,514	$ 5,499,381	$ 665,893	$ 734,313	$1,400,206	**$ 6,899,587**	$ 6,019,335
Payroll taxes and fringe benefits	414,760	125,761	79,533	6,785	8,042	13,973	26,381	23,714	192,700	249,853	1,141,502	108,960	158,594	267,554	**1,409,056**	1,311,883
Total Salaries and Related Expenses	2,543,911	716,912	508,961	52,943	73,196	90,979	125,510	138,104	1,089,000	1,301,367	6,640,883	774,853	892,907	1,667,760	**8,308,643**	7,331,218
Other Expenses:																
Consultants and professional fees	191,974	1,995	24,321	122	4,816	61,868	326	31,718	262,253	18,354	597,747	92,541	3,282	95,823	**693,570**	752,883
Legal and related services (Note 12)	39,381,326	2,029	1,369	124	267	375	331	488	203,514	3,564	39,593,387	99,232	-	99,232	**39,692,619**	33,420,691
Travel and meals	109,479	29,882	14,747	4,303	37,005	9,636	837	25,771	16,260	55,878	303,798	23,588	28,273	51,861	**355,659**	307,999
Printing	9,684	178	142	3	4,538	21	25	756	17,607	2,789	35,743	171	9,726	9,897	**45,640**	82,802
Photo, video and advocacy	3,408	22,517	8	1	509	1,955	2	1,018	300,187	20	329,625	397	666	1,063	**330,688**	33,792
Dues, subscriptions and books	17,866	676	16,156	9	75	93	71	277	700	16,319	52,242	4,398	3,262	7,660	**59,902**	56,526
Staff training and seminars	21,828	3,828	281	9	20	2,550	104	2,300	3,429	2,193	36,542	5,767	4,754	10,521	**47,063**	64,682
Events and conferences	110,028	42,356	2,515	100	901	694	266	11,563	284,762	6,723	459,908	15,944	221,328	237,272	**697,180**	664,721
Legal and filing fees	28,358	661	446	40	87	122	108	159	1,645	1,161	32,787	32,349	(112)	32,237	**65,024**	19,607
On-line services	134	6,138	307	-	-	1	1	1	37,825	6	44,413	155	-	155	**44,568**	27,835
Postage and delivery	8,766	693	661	39	110	169	122	136	3,015	1,842	15,553	2,379	12,287	14,666	**30,219**	25,720
Recruiting	5,663	134	91	8	18	25	22	32	334	236	6,563	6,561	-	6,561	**13,124**	23,191
Occupancy	666,030	144,573	87,714	3,094	8,286	15,156	29,499	25,420	218,891	285,575	1,484,238	351,721	170,983	522,704	**2,006,942**	1,696,180
Telephone and website	68,880	19,367	11,361	424	1,972	1,970	3,829	3,128	58,952	39,537	209,420	20,592	29,605	50,197	**259,617**	256,455
Copying	13,815	3,609	2,287	114	294	364	749	636	5,728	7,513	35,109	4,027	4,722	8,749	**43,858**	43,189
Office supplies	31,364	4,077	2,258	93	317	334	628	579	8,139	7,356	55,145	11,829	5,060	16,889	**72,034**	58,513
Bank, investment management and payroll fees	24,912	4,063	2,972	342	646	581	593	727	7,028	7,290	49,154	12,900	22,384	35,284	**84,438**	69,267
Repairs, maintenance and rental	37,612	7,837	5,281	344	642	869	1,586	1,439	12,697	15,933	84,240	19,367	9,945	29,312	**113,552**	96,375
Miscellaneous	18,286	376	253	23	49	69	61	90	935	660	20,802	17,615	2,602	20,217	**41,019**	4,817
Total Expenses Before Depreciation and Amortization	43,293,324	1,011,901	682,131	62,135	133,748	187,831	164,670	244,342	2,532,901	1,774,316	50,087,299	1,496,386	1,421,674	2,918,060	**53,005,359**	45,036,463
Depreciation and Amortization	122,602	16,961	11,958	869	1,526	2,164	3,210	3,123	28,040	32,730	223,183	95,175	20,084	115,259	**338,442**	184,990
Total Expenses	**$43,415,926**	**$1,028,862**	**$694,089**	**$63,004**	**$135,274**	**$189,995**	**$167,880**	**$247,465**	**$2,560,941**	**$1,807,046**	**$50,310,482**	**$1,591,561**	**$1,441,758**	**$3,033,319**	**$53,343,801**	$45,221,453

See accompanying notes to financial statements.

Human Rights First

Statement of Cash Flows
(with comparative totals for 2013)

Year ended December 31,	**2014**	2013
Cash Flows From Operating Activities:		
Change in net assets	**$(4,027,108)**	$ 358,799
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	**338,442**	184,990
Change in present value of pledges receivable	**(58,030)**	30,634
Unrealized (gain) loss on investments	**(3,022)**	155,544
Realized (gain) loss on investments	**11,322**	(55,941)
Donated securities	**(17,965)**	(79,951)
(Increase) decrease in:		
Grants and pledges receivable	**1,843,879**	(1,273,627)
Other receivables	**(15,699)**	(247)
Prepaid expenses and other assets	**(87,167)**	(54,384)
Security deposit	**88,269**	14,918
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	**57,711**	(144,464)
Deferred revenue	**8,889**	(25,960)
Deferred rent	**200,729**	299,286
Net Cash Used In Operating Activities	**(1,659,750)**	(590,403)
Cash Flows From Investing Activities:		
Increase in restricted cash	**(212,426)**	(551)
Proceeds from sale of investments	**7,175,125**	6,877,071
Purchase of investments	**(4,632,965)**	(5,991,807)
Purchases of fixed assets	**(1,445,359)**	(50,900)
Net Cash Provided By Investing Activities	**884,375**	833,813
Net (Decrease) Increase in Cash and Cash Equivalents	**(775,375)**	243,410
Cash and Cash Equivalents, Beginning of Year	**858,369**	614,959
Cash and Cash Equivalents, End of Year	**$ 82,994**	$ 858,369

See accompanying notes to financial statements.

1. Nature of Organization

Human Rights First (the "Organization") was founded in 1978 and has worked in the U.S. and abroad to protect and defend the dignity of each individual through respect for human rights and the rule of law. The Organization works to protect individuals at risk: refugees fleeing persecution, victims of crimes against humanity or other mass human rights violations, victims of discrimination, those whose rights are eroded in the name of national security and human rights advocates who are targeted for defending the rights of others.

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.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Organization have been prepared on an accrual basis. In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are reflected 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 of three classes 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.

(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 – Board designated for future operations –** Net assets consisting of all monies or assets contributed to the Organization, which are designated for future operations by the Board of Directors of the Organization.

(iv) **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 to use in carrying on the operations of the Organization.

(c) Cash and Cash Equivalents

The Organization considers all cash and highly liquid debt 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) Investment Impairment

The Organization's investments primarily consist of money market funds, equities, fixed income securities, mutual funds and a private agency loan fund. At December 31, 2014, the Organization has deemed that all securities, which were in an unrealized loss position, were temporarily impaired. Positive evidence considered in reaching the Organization's conclusion that the unrealized loss for certain securities is not other-than-temporary consisted of:

(a) there were no specific events which caused concerns;

(b) the ability and intent to retain the investment for a sufficient amount of time to allow an anticipated recovery in value; and

(c) determining that the changes in market value were reasonable in relation to overall fluctuations in market conditions.

(f) Contributions and Grants

Contributions and grants are recorded as revenue when either unsolicited cash is received or when donors make an unconditional promise to give. Contributions and grants are classified as either unrestricted, temporarily restricted or permanently restricted support.

(g) 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."

(h) 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. All receipts not expended are classified as deferred revenue until such time as they are utilized for their specific purpose.

(i) Fixed Assets

Fixed assets are stated at 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:

Leasehold improvements	10 years or lease term
Furniture and fixtures	5 years
Computers and equipment and software	3 years

(j) Expenses

Expenses, including advertising costs, are recorded when incurred.

(k) 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 2014 and 2013.

Under ASC 740, "Income Taxes," an organization must recognize 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, 2014 and 2013, 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, 2014 and 2013, the Organization was not subject to any examination by a taxing authority. The Organization believes it is no longer subject to income tax examinations for the years prior to 2011.

(l) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) Net Asset Classification

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). This law, which is a modified version of UPMIFA, makes significant changes to the rules governing how New York not-for-profit organizations may manage, invest and spend their endowment funds. The new 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. This should provide some relief to organizations that, due to the recent economic downturn, have found themselves with underwater endowments. It also expands 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.

(n) Recently Issued Accounting Pronouncement

In October 2012, the FASB issued Accounting Standards Update ("ASU") 2012-05, "Statement of Cash Flows: Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows." ASU 2012-05 requires a not-for-profit to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any not-for-profit imposed restrictions for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those securities would be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts would be classified as cash flows from financing activities. Otherwise, receipts from the sale of donated securities would be classified as cash flows from investing activities by the not-for-profit. The amendments are to be applied prospectively and are effective for fiscal years beginning after June 15, 2013. The adoption of ASU 2012-05 in 2014 did not have a material effect on the financial statements.

(o) Provision for Doubtful Accounts

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

(p) Functional Allocation of Expenses

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

(q) Asset impairment

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances would indicate that the carrying value of an asset may not be recoverable. Long-lived assets would be deemed to be impaired if the carrying value of the asset is in excess of its fair value. There were no impairment charges recognized as of December 31, 2014.

(r) 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.

(s) Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013 from which the summarized information was derived.

(t) Reclassifications

Certain prior year balances have been reclassified to be consistent with the current year's financial statement presentation. The reclassifications have no effect on net assets or operating results of the prior year.

3. Investments and Fair Value Measurements

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

December 31, 2014

	Fair Value	Cost
Money market funds	**$ 35,803**	**$ 35,803**
Fixed income securities	**984,256**	**983,787**
Mutual funds	**2,154,900**	**2,202,768**
Private agency loan fund	**931,909**	**931,909**
	$4,106,868	**$4,154,267**

December 31, 2013

	Fair Value	Cost
Money market funds	$ 61,294	$ 61,294
Equities	102,415	88,195
Fixed income securities	484,918	485,081
Mutual funds	5,081,024	5,164,831
Private agency loan fund	909,711	909,711
	$6,639,362	$6,709,112

Net investment income consisted of the following:

Year ended December 31,	**2014**	2013
Interest and dividend income	**$222,640**	$207,870
Net gain (loss) on investments	**8,300**	(99,603)
	$230,940	$108,267

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 net asset value ("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, 2014, 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, 2014 and 2013. The assets are presented on a desegregated basis by class, determined by the nature and risk associated with the investment.

December 31, 2014

	Total at December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	**$ 35,803**	**$ 35,803**	**$ -**	**$-**
Fixed income securities	**984,256**	**984,256**	**-**	**-**
Mutual funds	**2,154,900**	**2,154,900**	**-**	**-**
Private agency loan fund	**931,909**	**-**	**931,909**	**-**
Total	**$4,106,868**	**$3,174,959**	**$931,909**	**$-**

December 31, 2013

	Total at December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 61,294	$ 61,294	$ -	$ -
Equities	102,415	102,415	-	-
Fixed income securities	484,918	484,918	-	-
Mutual funds	5,081,024	5,081,024	-	-
Private agency loan fund	909,711	-	909,711	-
Total	$6,639,362	$5,729,651	$909,711	$ -

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, 2014 and 2013. In addition, there were no transfers between levels during the year ended December 31, 2014.

4. Grants and Pledges Receivable

At December 31, 2014 and 2013, the net present value of grants and pledges receivable is $5,268,674 and $7,054,523, 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, 2014 and 2013, the estimated earnings rate of the Organization's cash equivalents was calculated to be approximately 2%.

Net present value of grants and pledges receivable at December 31, 2014 and 2013 is summarized below:

December 31,	**2014**	2013
Total grants and pledges receivable	**$5,293,047**	$7,180,926
Discount at 2%	**(24,373)**	(82,403)
Net present value of grants and pledges receivable before allowance for doubtful accounts	**5,268,674**	7,098,523
Less: Allowance for doubtful accounts	**-**	(44,000)
	$5,268,674	$7,054,523

Grants and pledges receivable consist of the following at December 31, 2014 and 2013:

December 31,	**2014**	2013
Amounts expected to be collected in:		
Less than one year	**$4,050,047**	$3,875,540
Two to five years	**1,218,627**	3,178,983
	$5,268,674	$7,054,523

5. Fixed Assets, Net

Fixed assets, net, stated at cost, consist of the following:

December 31,	**2014**	2013
Furniture and fixtures	**$ 451,934**	$ 347,346
Computers and equipment and software	**820,512**	582,112
Leasehold improvements	**1,127,468**	950,355
	2,399,914	1,879,813
Less: Accumulated depreciation	**(772,909)**	(1,359,724)
	$1,627,005	$ 520,089

Depreciation expense for the years ended December 31, 2014 and 2013 was $338,442 and $184,990, respectively.

6. Retirement Plan

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 $150,187 and $222,915 for the years ended December 31, 2014 and 2013, respectively. Forfeitures in the amount of $66,592 and $11,087 were applied for 2014 and 2013, respectively, which reduced the pension expense for the years ended December 31, 2014 and 2013.

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 a contribution of $-0- to the 457(b) for the years ended December 31, 2014 and 2013. Participant employees may make pre-tax deferrals up to the IRS limit for any taxable year. The limit for both 2014 and 2013 was $17,500. The market value of the participants' account balance at December 31, 2014 and 2013 was $204,179 and $163,504, respectively, and is included in other assets and other liabilities on the statement of financial position.

7. Board Designated for Future Operations Net Assets

The Board designated for future operations net assets consist of the following:

December 31,	**2014**	2013
Board-designated Reserve Fund	**$2,500,000**	$2,500,000

The management and Board of Directors of the Organization have earmarked $2,500,000 of the above funds to be used to establish a reserve fund ("Reserve Fund"). The Board established this fund as a contingency reserve requiring explicit Board approval prior to its use.

The reserve fund assets are held in interest bearing money market accounts included in the cash and cash equivalents on the statement of financial position.

8. Temporarily Restricted Net Assets

The temporarily restricted net assets are available for the following purposes or period:

December 31,	**2014**	2013
General support	**$5,346,859**	$2,856,331
National Security	**2,073,042**	2,259,142
Refugees	**900,000**	2,075,000
Anti-Semitism and Extremism	**-**	125,000
LGBTI	**-**	100,000
	$8,319,901	$7,415,473

9. Net Assets Released From Restrictions

During the years ended December 31, 2014 and 2013, temporarily restricted net assets of $3,426,100 and $5,693,517, respectively, were released from donor-imposed time restrictions.

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;
- other resources of the Organization;
- 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; and
- the investment policies of the Organization.

The following tables provide reconciliation of the change in the Organization's endowment net assets for the years ended December 31, 2014 and 2013:

December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	**$-**	**$ 75,404**	**$1,000,000**	**$1,075,404**
Net appreciation	**-**	**(9,553)**	**-**	**(9,553)**
Interest and dividend income	**-**	**50,691**	**-**	**50,691**
	$-	**$116,542**	**$1,000,000**	**$1,116,542**

December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 57,538	$1,000,000	$1,057,538
Net appreciation	-	(20,133)	-	(20,133)
Interest and dividend income	-	37,999	-	37,999
	$ -	$ 75,404	$1,000,000	$1,075,404

The breakdown of invested assets is as follows:

December 31, 2014

Money market funds	**$ 12,639**
Fixed income securities	**345,630**
Mutual funds	**758,273**
	$1,116,542

December 31, 2013

Money market funds	$ 11,647
Equities	34,869
Fixed income securities	42,757
Mutual funds	986,131
	$1,075,404

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.

In 2014, the Board of Directors did not approve any amounts for appropriation.

11. Allocation of Joint Costs

The Organization conducts activities that include requests for contributions, as well as program components. Those activities include mail campaigns and special events. During the years ended December 31, 2014 and 2013, the costs of conducting those activities included a total of $1,802,198 and $1,835,545, respectively, of joint costs, which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

Year ended December 31,	**2014**	2013
Fundraising and Development	**$1,441,758**	$1,468,436
Refugees	**311,045**	319,047
National Security	**7,371**	8,961
Human Rights Outreach	**4,973**	1,794
Pillar Project	**451**	-
Anti-Semitism and Extremism	**969**	-
Human Trafficking	**1,361**	-
Atrocity Enablers	**1,203**	3,575
LGBTI	**1,773**	-
Communications	**18,347**	25,150
Other Programs	**12,947**	8,582
	$1,802,198	$1,835,545

12. 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, 2014 and 2013, 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 $39,692,619 and $33,420,691, respectively. For these contributed services, the time allotted by the respective law firms for the years ended December 31, 2014 and 2013 totaled approximately 79,152 and 68,300 hours, respectively, which yielded an average hourly rate of $492 and $480, respectively.

13. Commitments

The Organization leases a New York 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.

The Organization also 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.

The Organization signed a lease agreement for a 2-year period for the Houston office space which began on April 1, 2014.

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, 2014, $500,015 of deferred rent is included on the statement of financial position.

Future minimum annual lease payments are as follows:

Year ending December 31,	
2015	$ 1,519,329
2016	1,541,803
2017	1,513,701
2018	1,258,443
2019	1,299,077
Thereafter	6,622,381
	$13,754,734

Total rent expense, including rent escalations, for facilities for the years ended December 31, 2014 and 2013 was $1,695,163 and $1,595,392, respectively.

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, 2014 and 2013, the balance of the bank accounts holding the letters of credit, including accrued interest, is $475,362 and $262,936, respectively. These amounts are included in restricted cash on the statement of financial position.

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, 2014 and 2013, total sublease income was $235,938 and $367,935, respectively, which is included in other income on the statement of activities.

14. Advertisement and Promotion Expenses

During the years ended December 31, 2014 and 2013, the Organization incurred advertising and promotion expenses in the amount of $228,185 and $1,089, respectively, to further advance the Organization's initiatives.

15. Subsequent Events

The Organization's management has performed subsequent events procedures through June 5, 2015, which is the date the financial statements were available to be issued.