Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2016

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

Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2016

Contents

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Physicians for Human Rights, Inc. (the "Entity"), which comprise the statement of financial position as of June 30, 2016, 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Physicians for Human Rights, Inc. as of June 30, 2016, 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.

Other Matter

The financial statements as of and for the year ended June 30, 2015 were audited by other auditors whose report, dated February 29, 2016, expressed an unmodified opinion on those statements.

BDO USA, LLP

February 8, 2017

Physicians for Human Rights, Inc.

Statement of Financial Position
(with comparative totals for 2015)

June 30,	**2016**	2015
Assets		
Current Assets:		
Cash and cash equivalents (Note 2)	**$1,808,800**	$ 988,231
Investments, at fair value (Notes 2 and 3)	**3,456,066**	3,837,577
457 Plan assets held for others (Notes 2, 3 and 10)	**39,535**	26,294
Accounts receivable (Note 2)	**2,700**	11,144
Grants and contributions receivable, current portion (Notes 2 and 4)	**1,547,954**	1,584,649
Prepaid expenses and other assets (Note 2)	**135,694**	47,940
Security deposit (Note 2)	**50,658**	49,658
Total Current Assets	**7,041,407**	6,545,493
Grants and Contributions Receivable, Net of Current Portion (Notes 2 and 4)	**519,894**	500,000
Property and Equipment, Net (Notes 2 and 5)	**327,315**	393,732
Total Assets	**$7,888,616**	$7,439,225
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	**$ 192,737**	$ 201,691
Accrued expenses	**302,779**	337,736
Deferred revenue	**-**	201,618
Total Current Liabilities	**495,516**	741,045
Line of Credit (Note 6)	**1,483,211**	1,483,211
Deferred Rent (Note 11)	**26,630**	53,823
Total Liabilities	**2,005,357**	2,278,079
Commitments and Contingencies (Notes 2, 6, 9, 10, 11 and 12)		
Net Assets (Notes 2 and 7):		
Unrestricted	**2,210,948**	1,961,893
Temporarily restricted	**3,672,311**	3,199,253
Total Net Assets	**5,883,259**	5,161,146
Total Liabilities and Net Assets	**$7,888,616**	$7,439,225

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Activities
(with comparative totals for 2015)

Year ended June 30,

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue:						
Grants and service contracts	$2,279,359	$ 1,890,318	**$4,169,677**	$2,491,143	$1,772,110	$4,263,253
Federal support	1,955,025	-	**1,955,025**	1,202,919	-	1,202,919
Contributions and memberships	1,257,309	-	**1,257,309**	725,299	-	725,299
Contributed services (Notes 2 and 8)	1,437,903	-	**1,437,903**	782,955	-	782,955
Investment income, net (Notes 2 and 3)	29,343	-	**29,343**	14,370	-	14,370
Other revenue	21,360	-	**21,360**	3,450	-	3,450
Net assets released from restrictions (Note 7)	1,417,260	(1,417,260)	**-**	1,382,472	(1,382,472)	-
Total Support and Revenue Before Special Events	8,397,559	473,058	**8,870,617**	6,602,608	389,638	6,992,246
Special Events:						
Gala revenue	568,301	-	**568,301**	1,043,759	-	1,043,759
Gala expense	(283,491)	-	**(283,491)**	(273,278)	-	(273,278)
Net Revenue From Special Events	284,810	-	**284,810**	770,481	-	770,481
Operating Expenses:						
Program services	7,446,764	-	**7,446,764**	6,700,343	-	6,700,343
Fundraising	610,337	-	**610,337**	574,897	-	574,897
Management and general	326,688	-	**326,688**	642,612	-	642,612
Total Operating Expenses	8,383,789	-	**8,383,789**	7,917,852	-	7,917,852
Change in Net Assets Before Other Expenses	298,580	473,058	**771,638**	(544,763)	389,638	(155,125)
Other Expenses:						
Interest expense	49,525	-	**49,525**	52,217	-	52,217
Straight-line rent adjustment	-	-	**-**	53,823	-	53,823
Total Other Expenses	49,525	-	**49,525**	106,040	-	106,040
Increase (Decrease) in Net Assets	249,055	473,058	**722,113**	(650,803)	389,638	(261,165)
Net Assets, Beginning of Year, Restated	1,961,893	3,199,253	**5,161,146**	2,612,696	2,809,615	5,422,311
Net Assets, End of Year	**$2,210,948**	**$ 3,672,311**	**$5,883,259**	$1,961,893	$3,199,253	$5,161,146

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Functional Expenses
(with comparative totals for 2015)

Year ended June 30, 2016

	Program Services	Supporting Services: Fundraising	Supporting Services: Management and General	Supporting Services: Total Supporting Services	Total 2016	Total 2015
Personnel:						
Salaries	$2,471,783	$331,343	$167,305	$498,648	**$2,970,431**	$2,637,805
Payroll taxes and benefits	402,325	70,192	34,825	105,017	**507,342**	487,192
Retirement plan contribution	116,499	-	-		**116,499**	87,063
Total Personnel Expenses	2,990,607	401,535	202,130	603,665	**3,594,272**	3,212,060
Occupancy:						
Rent, net of straight-line adjustment	384,727	42,929	15,425	58,354	**443,081**	397,117
Utilities	41,265	5,374	1,328	6,702	**47,967**	49,823
Total Occupancy Expenses	425,992	48,303	16,753	65,056	**491,048**	446,940
Other Expenses:						
Bank and payroll fees	31,204	-	-	-	**31,204**	38,716
Consultants and stipends	2,613,741	54,061	72,503	126,564	**2,740,305**	2,578,478
Professional fees	62,486	4,422	1,092	5,514	**68,000**	34,566
Contract services	139,614	5,978	-	5,978	**145,592**	127,090
Equipment rental	15,093	-	-	-	**15,093**	19,112
Filing fees	500	15,518	-	15,518	**16,018**	1,057
Insurance	39,079	6,067	1,499	7,566	**46,645**	45,594
Internet/telephone expense	68,076	5,022	1,158	6,180	**74,256**	86,273
Meetings and conferences	141,011	1,011	10,497	11,508	**152,519**	80,767
Office supplies	51,802	3,951	2,595	6,546	**58,348**	53,198
Postage and delivery	6,835	742	-	742	**7,577**	28,626
Printing and duplication	35,481	115	-	115	**35,596**	53,407
Program supplies	43,776	7,023	-	7,023	**50,799**	52,719
Telemarketing and direct mail	-	43,635	-	43,635	**43,635**	65,951
Travel	705,372	8,225	668	8,893	**714,265**	791,273
Miscellaneous	26,699	4,729	1,543	6,272	**32,971**	91,745
Total Other Expenses	3,980,769	160,499	91,555	252,054	**4,232,823**	4,148,572
Depreciation	49,396	-	16,250	16,250	**65,646**	110,280
Total Expenses	**$7,446,764**	**$610,337**	**$326,688**	**$937,025**	**$8,383,789**	$7,917,852

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Cash Flows
(with comparative totals for 2015)

Year ended June 30,	**2016**	2015
Cash Flows From Operating Activities:		
Change in net assets	**$ 722,113**	$ (261,165)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized loss on sale of investments	**72,064**	78,789
Unrealized gain on investments	**(151,120)**	(32,167)
Donated stock	**(337,788)**	-
Depreciation	**65,646**	110,280
Loss on disposal of property and equipment	**771**	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	**8,444**	(5,880)
Grants and contributions receivable	**16,801**	(105,260)
Prepaid expenses and other assets	**(87,754)**	53,070
Security deposit	**(1,000)**	-
(Decrease) increase in:		
Accounts payable	**(8,954)**	119,366
Accrued expenses	**(34,957)**	33,840
Deferred revenue	**(201,618)**	37,584
Deferred rent	**(27,193)**	53,823
Net Cash Provided By Operating Activities	**35,455**	82,280
Cash Flows From Investing Activities:		
Purchases of property and equipment	**-**	(62,570)
Purchases of investments	**(394,912)**	(1,404,481)
Proceeds from sales of investments	**1,180,026**	1,769,757
Net Cash Provided By Investing Activities	**785,114**	302,706
Cash Flows From Financing Activities:		
Proceeds from line of credit	**350,000**	-
Principal payments on line of credit	**(350,000)**	(3,680)
Net Cash Used In Financing Activities	**-**	(3,680)
Net Increase in Cash and Cash Equivalents	**820,569**	381,306
Cash and Cash Equivalents, Beginning of Year	**988,231**	606,925
Cash and Cash Equivalents, End of Year	**$1,808,800**	$ 988,231
Supplemental Disclosure of Cash Flow Information:		
Interest paid	**$ 49,525**	$ 52,217

See accompanying notes to financial statements.

1. Nature of Organization

Physicians for Human Rights (the "Entity") is a not-for-profit 501c(3) organization that uses medicine and science to document and call attention to mass atrocities and severe human rights violations. The Entity leverages the specialized skills and credible voices of health professionals to document human rights violations and seek justice for victims of these crimes. PHR's investigations and expertise are used to advocate for persecuted health workers, prevent torture, document mass atrocities, and hold those who violate human rights accountable. PHR's headquarters are located in New York, New York, with additional offices in Boston, Massachusetts and Washington, DC.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements have been prepared on an accrual basis. In the statement of financial position, assets are presented in order of liquidity or conversion to cash. Liabilities are presented in order of their maturity resulting in the use of cash, respectively.

(b) Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of 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.

Income from investment gains and losses, including unrealized gains and losses, dividends, interest and other investments should be reported as increases (or decreases) in unrestricted net assets unless the use of the income received is limited by donor-imposed restrictions.

These classes are defined as follows:

(i) **Permanently Restricted** - Net assets resulting from contributions and other inflows of assets whose use by the Entity is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Entity. There were no permanently restricted net assets during the years ended June 30, 2016 and 2015.

(ii) **Temporarily Restricted** - Net assets resulting from contributions and other inflows of assets whose use by the Entity is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Entity pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities. Temporarily restricted contributions and grants, the requirements of which are met in the year of donation, are reported as unrestricted.

(iii) **Unrestricted** - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(c) Cash and Cash Equivalents

The Entity considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. At various times during the year, the Entity may have cash deposits at financial institutions in excess of Federal Deposit Insurance Corporation insurance limits.

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

(d) Fair Value Investments

Accounting principles generally accepted in the United States ("U.S. GAAP") provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under U.S. GAAP are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Entity has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Stocks, exchange-traded and closed-end funds, and corporate and government bonds - Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds - Valued at the net asset value of shares held by the Entity at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Entity believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(e) Contributions and Grants Receivable

On a periodic basis, the Entity evaluates its grants and contributions receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on its history of past write-offs and collections. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. The allowance for doubtful accounts was $-0- for the year ended June 30, 2016.

(f) Provision for Bad Debts

The Entity provides allowances for contributions receivable and amounts due from government agencies that are specifically identified by management as to their uncertainty in regards to collectability.

(g) Revenue Recognition

Revenue from government grants and contracts is recognized as earned, that is, as related costs are incurred under such agreements, services are rendered, or when applicable performance-based milestones are reached. Reimbursements are subject to audit and retroactive adjustments by the respective third-party fiscal intermediary. Revenue from retroactive adjustments is recognized in the year the adjustments are made.

Grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with grantor-imposed restrictions.

Contributions received, including unconditional promises to give, if any, are reported at their net realizable values. Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit their use or if they are intended to support activities in future periods. Contributions with donor-imposed restrictions that are met in the same accounting period are recorded as unrestricted income.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

(h) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and other disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

(i) Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of the donation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

	Years
Furniture and equipment	3-10
Computer software	2-5
Leasehold improvements	10

Maintenance and repair costs are charged to expense as incurred and major renewals and betterments are capitalized. When property and equipment are retired or sold, the related carrying value and accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income.

(j) Impairments of Long-Lived Assets

The Entity reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of June 30, 2016, there have been no such losses.

(k) Income Taxes

The Entity was incorporated in the State of Massachusetts and is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for income taxes in the accompanying financial statements. The Entity has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2016.

Under Accounting Standards Codification ("ASC") 740, "Accounting for Uncertainty in Income Taxes", an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The implementation of ASC 740 had no impact on the Entity's financial statements. The Entity does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Entity has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Entity has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required to do so. For the year ended June 30, 2016, there were no interest or penalties recorded or included in the statement of activities. Management believes that the Entity is no longer subject to income tax examinations for years prior to 2013.

(l) Functional Expenses

Costs associated with the Entity's programs and administrative activities are summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are allocated among the program and support services benefited.

(m) Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Entity's financial statements for the year ended June 30, 2015.

(n) 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 the net assets or operating results from the prior year.

(o) Investment Impairment

The Entity considered the following evidence in reaching the conclusion that the unrealized loss on fixed income instruments was not other than temporary:

(a) whether or not it intended to sell its investments before the full recovery of cost basis, and

(b) whether or not it will be required to sell its investments before the full recovery of cost basis.

(p) Risks and Uncertainties

The Entity's investments consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of the Entity's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

(q) Relevant Accounting Developments

(i) Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)

In May 2015, the Financial Accounting Standards Board ("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 statement of financial position. The amendments are effective retrospectively for annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The Entity has elected to early adopt ASU 2015-07.

(ii) Revenue From Contracts With Customers (Topic 606)

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," 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 Entity 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 (Topic 842)

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," to increase transparency and comparability among organizations 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 underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Entity'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 (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, "Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities." The ASU amends the current reporting model for nonprofit organizations 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 Entity'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.

3. Investments, at Fair Value

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

June 30, 2016

	Cost	Fair Value
Fixed income	$ 650,098	$ 635,504
Equities	2,478,882	2,552,464
Mutual funds	313,520	307,633
	$3,442,500	$3,495,601

The fair values of corporate and government notes by contractual maturity are as follows as of June 30, 2016:

June 30, 2016	
Due from one year to five years	$581,736
Due from six years to ten years	53,768

Net investment income consisted of the following:

Year ended June 30, 2016	
Interest and dividends, net of investment fees of $53,596	$ (49,713)
Unrealized gain on investments	151,120
Realized loss on sale of investments	(72,064)
	$ 29,343

The following table sets forth by level, within the fair value hierarchy, the Entity's investments at fair value as of June 30, 2016:

June 30, 2016

	Level 1	Level 2	Level 3	Total
Stocks	$1,367,181	$-	$-	$1,367,181
Exchange-traded and closed-end funds	1,185,283	-	-	1,185,283
Mutual funds	307,633	-	-	307,633
Bonds:				
Corporate	543,699	-	-	543,699
Government	91,805	-	-	91,805
Total investments at fair value	$3,495,601	$-	$-	$3,495,601

4. Grants and Contributions Receivable

Grants and contributions receivable consisted of the following at June 30, 2016:

June 30, 2016

Receivables in less than one year	$1,547,954
Receivables in one to three years	519,894
	$2,067,848

5. Property and Equipment, Net

Property and equipment, net consisted of the following at June 30, 2016:

June 30, 2016

Furniture and equipment	$ 363,100
Computer software	5,653
Leasehold improvements	125,677
	494,430
Less: Accumulated depreciation	(167,115)
Total property and equipment, net	$ 327,315

For the year ended June 30, 2016, depreciation expense was $65,646.

6. Line of Credit

The Entity has a demand revolving line of credit secured by its investment portfolio, the balance of which also serves as the borrowing base on the line of credit, with such base reduced by available letters of credit. As of June 30, 2016, the amount outstanding under the line of credit was $1,483,211. The line of credit is subject to interest at the 30-day LIBOR rate plus 2.5% (2.97% at June 30, 2016). The Entity had $484,883 available to draw on its line of credit as of June 30, 2016.

As part of the available borrowings under the line of credit agreement, the Entity has a letter of credit in the amount of $239,950 to serve as guarantee on lease space, which has been renewed through July 2017. There is no balance outstanding on the letter of credit as of June 30, 2016.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at June 30, 2016:

June 30, 2016	
Time restricted for general use	$1,316,667
Purpose restricted to program costs	1,615,240
Long-term fund (institutional building)	740,404
	$3,672,311

Temporarily restricted net assets released consisted of the following:

June 30, 2016	
Time restricted for general use	$ 983,333
Purpose restricted to program costs	433,927
	$1,417,260

8. Contributed Services

The Entity receives contributions of medical and scientific consultation, office space rental, research and representation services that qualify for financial statement recognition. The fair value of contributed items totaled $1,437,903 in 2016.

9. Reimbursement Grants

The Entity has certain reimbursement grants and contracts for which revenue is recognized as associated reimbursable costs are incurred. At June 30, 2016, the Entity has $1,136,971 in available reimbursements under these agreements that have yet to be recognized as support and revenue.

10. Defined Contribution Plans

The Entity sponsors a defined contribution plan for all employees meeting certain eligibility requirements, which qualifies as a 403(b) plan under the Internal Revenue Code. The Entity made contributions of $99,297 during the year ended June 30, 2016.

Additionally, the Entity has a 457(b) eligible deferred compensation plan for a certain officer of the Entity. Such agreement allows for contributions to be made to the plan through salary reductions from the officer's compensation as well as matching and discretionary contributions from the Entity. The Entity made contributions of $12,271 during the year ended June 30, 2016. The asset related to this plan is included in investments and the liability related to this plan is included in accrued expenses in the statement of financial position. The total amount of this asset and liability was $39,535 as of June 30, 2016. The liability portion is included with accrued expenses in the statement of financial position.

11. Commitments

The Entity leases its main offices in New York, New York under a noncancelable lease through June 2024. The lease requires monthly payments of base rent plus the Entity's proportionate share of increases in operating costs. The base rent escalates on an annual basis over the term of the lease. As such, rental expense is recognized on a straight-line basis, with the amount paid under this agreement of approximately $298,874, as compared to rental expense recognized of $325,504 for the year ended June 30, 2016. The difference between rent expense recorded and the amount paid is credited to deferred rent in the accompanying statement of financial position.

The Entity also leases space in Boston, Massachusetts under a noncancelable lease expiring in August 2020. The total expense was $69,776 for June 30, 2016.

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

Year ending June 30,	Boston	New York	Total
2017	$ 35,622	$ 304,408	$ 340,030
2018	43,974	312,018	355,992
2019	45,448	319,819	365,267
2020	46,922	327,814	374,736
2021	7,861	336,010	343,871
Thereafter	-	1,059,276	1,059,276
	$179,827	$2,659,345	$2,839,172

Additionally, the Entity leases various office space under a tenant-at-will arrangement. Aggregate rent expense was $74,431 for the year ended June 30, 2016.

The Entity entered into a three-year computer software licensing agreement in October 2013. License fee expense was $68,979 for the year ended June 30, 2016.

12. Concentrations of Risk

During the year ended June 30, 2016, the Entity received approximately 67% of its grants, service contracts and federal support revenue from seven grantors. Included in grant and contribution receivables at June 30, 2016 is $1,277,858 due from these grantors. At December 31, 2016, $131,250 had been collected by the Entity.

13. Subsequent Events

The Entity has evaluated subsequent events through February 8, 2017, the date the financial statements were available to be issued, and determined that there have been no events that have occurred that would require adjustment to the financial statements.