

Human Rights Watch, Inc.

Financial Statements
Year Ended June 30, 2015

Human Rights Watch, Inc.

Financial Statements
Year Ended June 30, 2015

Human Rights Watch, Inc.

Contents

Independent Auditor's Report	3-4
Financial Statements:	
Statement of Financial Position as of June 30, 2015	5
Statement of Activities for the Year Ended June 30, 2015	6
Statement of Functional Expenses for the Year Ended June 30, 2015	7
Statement of Cash Flows for the Year Ended June 30, 2015	8
Notes to Financial Statements as of June 30, 2015	9-24



Independent Auditor's Report

Board of Directors
Human Rights Watch, Inc.
New York, New York

We have audited the accompanying financial statements of Human Rights Watch, Inc., which comprise the statement of financial position as of June 30, 2015, 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 Watch, Inc. as of June 30, 2015 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 Human Rights Watch, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

November 9, 2015

Human Rights Watch, Inc.

Statement of Financial Position as of June 30, 2015 (with comparative totals for 2014)

	2015	2014
Assets		
Cash and cash equivalents (Note 2)	\$ 42,909,967	\$ 36,010,846
Investments, at fair value (Notes 2 and 3)	98,248,917	98,447,671
Investments in limited partnerships (Notes 3 and 4)	28,132,840	16,699,387
Contributions receivable, net of allowance for doubtful accounts of \$200,000 in 2015 and 2014 (Note 5)	62,197,764	87,670,337
Other receivables	611,221	701,390
Prepaid expenses and other assets	997,213	852,778
Security deposits	243,569	250,880
Fixed assets, net (Note 6)	6,934,101	5,790,206
	\$240,275,592	\$246,423,495
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,336,672	\$ 3,929,437
Accrued pension expense	265,831	561,303
Deferred rent	1,260,392	328,647
Total Liabilities	5,862,895	4,819,387
Commitments and Contingencies (Notes 10 and 12)		
Net Assets:		
Unrestricted (Note 2)	26,758,240	21,204,102
Temporarily restricted (Notes 2, 7 and 8)	207,654,457	220,400,006
Total Net Assets	234,412,697	241,604,108
	\$240,275,592	\$246,423,495

See accompanying notes to financial statements.

Human Rights Watch, Inc.

Statement of Activities Year Ended June 30, 2015 (with comparative totals for 2014)

	Unrestricted	Temporarily Restricted	Total	
			2015	2014
Public Support and Revenue:				
Public support:				
Contributions and grants (Note 5)	\$26,116,526	\$ 22,564,424	\$ 48,680,950	\$ 56,035,960
Special events	17,316,301	-	17,316,301	15,360,029
Total Public Support	43,432,827	22,564,424	65,997,251	71,395,989
Revenue:				
Net investment income	4,074	660,254	664,328	14,125,748
Net investment income from limited partnerships	-	1,611,296	1,611,296	1,925,248
Publications	34,276	-	34,276	33,093
Other	204,012	-	204,012	151,359
Total Revenue	242,362	2,271,550	2,513,912	16,235,448
Net assets released from restrictions (Note 7)	37,581,523	(37,581,523)	-	-
Total Public Support and Revenue	81,256,712	(12,745,549)	68,511,163	87,631,437
Expenses:				
Program services:				
Africa	7,459,970	-	7,459,970	6,263,768
Americas	2,254,139	-	2,254,139	2,435,010
Asia	6,434,934	-	6,434,934	5,850,874
Europe and Central Asia	5,279,703	-	5,279,703	4,693,161
Middle East and North Africa	5,563,403	-	5,563,403	4,307,705
United States	2,808,310	-	2,808,310	3,215,729
Children's Rights	2,840,204	-	2,840,204	2,427,423
Health and Human Rights	1,641,677	-	1,641,677	1,416,540
International Justice	1,800,021	-	1,800,021	1,686,769
Women's Rights	3,388,531	-	3,388,531	2,831,859
Other programs (Note 11)	17,485,613	-	17,485,613	17,103,274
Total Program Services	56,956,505	-	56,956,505	52,232,112
Supporting services:				
Management and general	4,629,297	-	4,629,297	4,291,944
Fundraising	14,116,772	-	14,116,772	12,649,849
Total Supporting Services	18,746,069	-	18,746,069	16,941,793
Total Expenses	75,702,574	-	75,702,574	69,173,905
Change in Net Assets	5,554,138	(12,745,549)	(7,191,411)	18,457,532
Net Assets, Beginning of Year	21,204,102	220,400,006	241,604,108	223,146,576
Net Assets, End of Year:				
Unrestricted	26,758,240	-	26,758,240	21,204,102
Temporarily restricted (Notes 7 and 8)	-	207,654,457	207,654,457	220,400,006
Total Net Assets, End of Year	\$26,758,240	\$207,654,457	\$234,412,697	\$241,604,108

See accompanying notes to financial statements.

Human Rights Watch, Inc.

Statement of Functional Expenses Year Ended June 30, 2015
(with comparative totals for 2014)

	Program Services											Supporting Services			2015	2014	
	Africa	Americas	Asia	Europe & Central Asia	Middle East & North Africa	United States	Children's Rights	Health & Human Rights	International Justice	Women's Rights	Other Programs	Total	Management and General	Fundraising			Total
Salaries and Related Expenses:																	
Salaries	\$3,212,963	\$1,091,227	\$3,261,864	\$2,567,112	\$2,479,763	\$1,474,589	\$1,521,417	\$ 922,287	\$1,013,030	\$1,763,092	\$ 8,015,582	\$27,322,926	\$1,651,767	\$ 3,782,681	\$ 5,434,448	\$32,757,374	\$32,775,472
Insurance and employee benefits	462,547	179,013	452,939	373,008	376,485	267,912	150,352	130,227	127,383	276,469	1,174,299	3,970,634	229,077	504,974	734,051	4,704,685	4,782,099
Retirement plans	266,495	78,643	300,505	235,025	174,453	118,988	130,981	81,931	87,323	131,696	665,288	2,271,328	129,822	289,577	419,399	2,690,727	2,561,224
Payroll taxes	434,167	124,191	285,154	266,727	239,959	135,766	169,703	78,118	116,451	154,890	937,133	2,942,259	223,816	1,303,686	1,527,502	4,469,761	2,949,970
Total Salaries and Related Expenses	4,376,172	1,473,074	4,300,462	3,441,872	3,270,660	1,997,255	1,972,453	1,212,563	1,344,187	2,326,147	10,792,302	36,507,147	2,234,482	5,880,918	8,115,400	44,622,547	43,068,765
Consultant's fees	170,444	29,412	111,721	79,391	156,731	22,599	23,943	9,417	11,416	24,125	251,016	890,215	75,766	237,904	313,670	1,203,885	557,941
Publications	122,165	23,964	98,854	129,388	201,452	33,979	40,176	23,308	19,448	71,351	903,411	1,667,496	46,059	26,613	72,672	1,740,168	1,616,647
Information services	24,024	6,150	24,297	16,559	16,316	14,604	13,866	4,478	6,213	10,939	53,466	190,912	27,551	40,217	67,768	258,680	214,572
Travel, meals and meetings	967,602	209,007	637,340	453,488	637,288	208,228	279,487	140,169	112,277	303,688	1,730,319	5,678,893	220,018	466,783	686,801	6,365,694	5,916,289
Outreach	-	-	-	-	-	-	-	-	-	-	275,235	275,235	-	-	-	275,235	10,224
Special projects	244,133	92,050	17,142	169,443	108,372	1,108	2,874	528	640	1,353	463,742	1,101,385	4,250	5,068	9,318	1,110,703	745,241
Special events	163	44	124	103	123	55	53	26	32	68	626,023	626,814	213	2,526,755	2,526,968	3,153,782	3,174,653
Direct mail	-	-	-	-	-	-	-	-	-	-	321,681	321,681	-	2,430,903	2,430,903	2,752,584	2,356,294
Occupancy	782,376	209,960	596,727	495,505	589,876	266,538	254,604	127,081	154,044	325,548	1,020,404	4,822,663	1,022,393	1,017,283	2,039,676	6,862,339	4,760,092
Office expenses	278,462	79,003	268,399	181,772	211,956	96,692	90,479	44,705	54,792	119,242	360,683	1,786,185	359,646	419,302	778,948	2,565,133	2,272,792
Postage and delivery	11,323	2,064	12,031	6,227	6,450	2,968	3,623	1,075	2,025	5,369	25,107	78,262	8,755	68,634	77,389	155,651	204,864
Telephone and fax	152,006	40,792	115,936	96,270	114,605	51,785	49,466	24,690	29,929	63,250	198,251	936,980	198,638	236,837	435,475	1,372,455	1,257,182
Professional fees	173,005	46,192	131,320	109,558	130,378	58,640	57,732	27,958	33,890	71,668	257,780	1,098,121	224,931	513,231	738,162	1,836,283	1,799,325
Total Expenses Before Depreciation and Amortization	7,301,875	2,211,712	6,314,353	5,179,576	5,444,207	2,754,451	2,788,756	1,615,998	1,768,893	3,322,748	17,279,420	55,981,989	4,422,702	13,870,448	18,293,150	74,275,139	67,954,881
Depreciation and Amortization	158,095	42,427	120,581	100,127	119,196	53,859	51,448	25,679	31,128	65,783	206,193	974,516	206,595	246,324	452,919	1,427,435	1,219,024
	\$7,459,970	\$2,254,139	\$6,434,934	\$5,279,703	\$5,563,403	\$2,808,310	\$2,840,204	\$1,641,677	\$1,800,021	\$3,388,531	\$17,485,613	\$56,956,505	\$4,629,297	\$14,116,772	\$18,746,069	\$75,702,574	\$69,173,905

See accompanying notes to financial statements.

Human Rights Watch, Inc.

Statement of Cash Flows Year Ended June 30, 2015 (with comparative totals for 2014)

	2015	2014
Cash Flows From Operating Activities:		
Change in net assets	\$ (7,191,411)	\$ 18,457,532
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,427,435	1,219,024
Realized gain on investments	(2,016,503)	(4,812,908)
Unrealized gain on investments	(779,272)	(10,888,663)
Change in discount on contributions receivable	2,642,878	1,640,644
Decrease (increase) in assets:		
Contributions receivable	22,829,695	(5,393,250)
Other receivables	90,169	(542,309)
Prepaid expenses and other assets	(144,435)	(122,419)
Security deposits	7,311	(7,752)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	407,235	(246,002)
Accrued pension expense	(295,472)	419,684
Deferred rent	931,745	(227,880)
Net Cash Provided By (Used In) Operating Activities	17,909,375	(504,299)
Cash Flows From Investing Activities:		
Net purchases of investments	(60,189,737)	(12,652,671)
Proceeds from sales of investments	51,750,813	14,610,226
Purchases of fixed assets	(2,571,330)	(4,250,625)
Net Cash Used In Investing Activities	(11,010,254)	(2,293,070)
Net Increase (Decrease) in Cash and Cash Equivalents	6,899,121	(2,797,369)
Cash and Cash Equivalents, Beginning of Year	36,010,846	38,808,215
Cash and Cash Equivalents, End of Year	\$ 42,909,967	\$ 36,010,846

See accompanying notes to financial statements.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

1. Nature of Organization

Human Rights Watch, Inc. ("HRW") is a not-for-profit organization that works to stop human rights abuses. Currently, it monitors and promotes human rights in over 80 countries worldwide. Its program is divided into five parts for each region of the world plus the United States and thematic programs devoted to women's rights, children's rights, refugees, military affairs, international justice, the human rights responsibilities of corporations, gay and lesbian rights, health and human rights, disability rights and emergency response.

HRW obtains financial support from the public - primarily individuals and foundations, but also estates, trusts and businesses. It does not seek or accept financial support from any government or government-funded agency. Principal offices in 2015 were located in New York, Washington, London, Brussels, Berlin, Chicago, Los Angeles, San Francisco, Toronto, Moscow, Geneva, Paris, Johannesburg and Tokyo. New offices were opened in 2014 in Sydney and Sao Paulo.

2. Summary of Significant Accounting Policies

(a) General

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America, 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 according to their maturity resulting in the use of cash.

(b) Financial Statement Presentation

The classification of HRW'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.

The classes of net assets are defined as follows:

- (i) Permanently Restricted* - Net assets resulting from contributions and other inflows of assets whose use by HRW is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of HRW pursuant to those stipulations.
- (ii) Temporarily Restricted* - Net assets resulting from contributions and other inflows of assets whose use by HRW is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of HRW 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.
- (iii) Unrestricted* - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(c) Cash and Cash Equivalents

HRW considers all money market funds and investments with maturities of three months or less at the time of purchase to be cash equivalents.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

(d) Contributions Receivable and Allowances

HRW reports unconditional promises to give as contributions. If amounts are expected to be collected within one year, they are recorded at net realized value. If amounts are expected to be collected in future years, they are recorded at the net present value of their estimated future cash flows.

The net present values on these amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue.

HRW uses the allowance method for uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis and evaluation of specific promises made. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions.

(e) Contributed Services

For the year ended June 30, 2015, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist HRW. HRW receives more than 5,000 volunteer hours per year.

(f) Financial Instruments and Fair Value

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. Observable inputs are inputs that market participants operating within the same marketplace as HRW would use in pricing HRW's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that can not be sourced from a broad active market in which assets or liabilities identical or similar to those of HRW are traded. HRW 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 for 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 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 reflect management's best estimate of what market participants would use as fair value.

(g) Risk and Uncertainties

HRW'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 HRW's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

(h) Endowment Fund

The Endowment Fund represents the principal amount of gifts accepted with the stipulation of the donors or the Board of Directors that the principal be maintained intact until the occurrence of a specified event. The Endowment Fund has been established under a formal arrangement whereby HRW can spend no more than 5% of the Endowment Fund value, as defined, each year for operations. In the case of exceptional circumstances, as declared by a vote of two-thirds of the Board of Directors, HRW may spend more than the previously stated 5%. The net assets of the Endowment Fund relating to assets received as part of the 1998 Endowment Campaign have been designated as temporarily restricted. The Endowment Fund net asset value at June 30, 2015 was \$109,971,567.

(i) Fixed Assets

Fixed assets are recorded at cost when purchased. Depreciation is computed on an accelerated basis or on a straight-line basis over the estimated useful lives of the assets, as follows:

Furniture and fixtures	7 years
Office equipment	5 years
Computer hardware and software	5 years

Leasehold improvements are depreciated over the shorter of the term of the lease or their useful lives.

(j) Impairment of Long-Lived Assets

HRW follows the provisions of ASC 360-10-35, "Accounting for the Impairment or Disposal of Long-Lived Assets", which requires HRW 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 year ended June 30, 2015, there have been no such losses.

(k) Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on an individual basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on specific identification or allocation rates established by management.

(l) Revenue Recognition

The operations of HRW are financed principally by foundation grants and contributions received from the general public. Contributions are reported at fair value on the date they are received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or absence of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

(m) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

(n) Income Taxes

HRW 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. HRW has been determined by the Internal Revenue Service ("IRS") 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 the year ended June 30, 2015. Management believes that HRW is no longer subject to income tax examinations for the years prior to 2012.

(o) Accounting for Uncertainty in Income Taxes

Under ASC 740, "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 the position will be sustained upon examination by a taxing authority. HRW does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. HRW has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, HRW has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended June 30, 2015, there was no interest or penalties recorded or included in the statements of activities.

(p) Concentration of Credit Risk

Financial instruments which potentially subject HRW to concentration of credit risk consist primarily of cash and cash equivalents. At various times, HRW has cash deposits at financial institutions which exceed the FDIC insurance limits.

(q) 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with HRW's financial statements for the year ended June 30, 2014, from which the summarized information was derived in total but not by net asset class.

(r) Reclassifications

Certain prior year balances have been reclassified to be consistent with the current year financial statement presentation. These reclassifications had no impact on change in net assets or ending net assets.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

3. Investments, at Fair Value

HRW's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820. See Note 2 for the discussion of HRW's policies regarding this hierarchy. A description of the valuation techniques applied to HRW's major categories of assets measured at fair value are as follows. There have been no changes in valuation methodology as of June 30, 2015 and 2014.

HRW's holdings in equity securities are determined by quoted market prices. Each of these investments can be liquidated daily. The valuation is based on Level 1 inputs within the hierarchy used in measuring fair value.

HRW also has investments in fixed income securities which include corporate bonds and U.S. Treasury securities. The investment managers priced these investments using nationally recognized pricing services. Since fixed income securities other than U.S. Treasury securities may not trade on a daily basis, the pricing services prepare estimates of fair value measurements for these securities using its proprietary pricing applications which include available relevant market information, benchmark curves, benchmarking of similar securities, sector grouping and matrix pricing. These investments are classified as Level 2. U.S. Treasury securities are classified as Level 1.

Mutual funds are valued on a daily basis at the close of business day. Each mutual fund's net asset value ("NAV") is the value of a single share which is actively traded on national securities exchanges. These investments are classified as Level 1 and 2.

Alternative investments are those made in limited partnerships, offshore limited liability companies and private equity, all of which are valued based on Level 3 inputs within the investment hierarchy used in measuring fair value. Given the absence of market quotations, their fair value is estimated using information provided to HRW by the investment managers or general partners and they are classified as Level 3.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

The following table presents the level within the fair value hierarchy at which HRW's financial assets are measured on a recurring basis at June 30, 2015:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2015
Corporate bonds:				
Consumer staples	\$ -	\$1,177,982	\$ -	\$ 1,177,982
Financial	-	1,649,604	-	1,649,604
Telecommunications	-	599,578	-	599,578
Other	-	4,583	-	4,583
U.S. government obligations		2,762,815	-	2,762,815
U.S. treasury securities	2,003,139	-	-	2,003,139
Equity securities:				
Materials	357,336	-	-	357,336
Industrial	3,365,988	-	-	3,365,988
Consumer discretionary	2,024,080	-	-	2,024,080
Financial	2,229,036	-	-	2,229,036
Mutual funds:				
Diversified	4,257,248	-	-	4,257,248
Index	32,466,977	-	-	32,466,977
Blended	23,923,906	-	-	23,923,906
Alternative investments:				
Hedge funds, pooled investments and limited partnerships	-	-	49,559,485	49,559,485
Total	\$70,627,710	\$6,194,562	\$49,559,485	\$126,381,757

There were no transfers between levels for the year ended June 30, 2015.

The following table sets forth changes in the assets measured at fair value using Level 3 inputs on a recurring basis for the year ended June 30, 2015:

Description	Balance at June 30, 2014	Capital Contribution	Sales	Realized Gain (Loss)	Unrealized Gain (Loss)	Balance at June 30, 2015
Investment portfolio:						
Hedge funds and pooled investments	\$28,046,894	\$ 2,810,242	\$(10,112,116)	\$(337,224)	\$1,018,849	\$21,426,645
Limited partnerships	16,699,387	15,352,109	(5,529,952)	853,545	757,751	28,132,840
	\$44,746,281	\$18,162,351	\$(15,642,068)	\$516,321	\$1,776,600	\$49,559,485

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

Cost and respective fair value of investments at June 30, 2015 are as follows:

June 30, 2015

	Cost	Fair Value
Corporate bonds	\$ 3,412,047	\$ 3,431,747
U.S government obligations	2,042,483	2,762,815
U.S. treasury securities	1,593,877	2,003,139
Equity securities	5,891,364	7,976,440
Mutual funds	55,079,025	60,648,131
Alternative investments	39,030,443	49,559,485
	<hr/>	<hr/>
	\$107,049,239	\$126,381,757

Net investment income consisted of the following:

June 30, 2015

Interest and dividend income	\$ 442,603
Net realized gains on investments	727,588
Net unrealized gains on investments	1,105,433
	<hr/>
	\$2,275,624

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

In accordance with ASU 2009-12, HRW expanded its disclosures to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value per share or its equivalent for which the fair value is not readily determinable, as of June 30, 2015. The following table for June 30, 2015, sets forth a summary of the HRW's investments with a reported net asset value:

Fair Value Estimated Using Net Asset Value per Share at June 30, 2015

Investments	Fair Value	Category	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Davidson Kempner Distressed Opportunities International (Cayman) Ltd.	\$2,061,335	Credit Opportunities, Distressed Securities ⁽¹⁾	\$ -	Annual	None	90
Taconic Opportunity Offshore Fund Ltd.	1,793,934	Event Driven ⁽²⁾	-	Annual	None	60
Fir Tree International Value Fund (USTE), L.P.	2,316,418	Open Mandate ⁽³⁾	-	Biennially	None	90
Mason Capital, Ltd.	83,715	Event Driven ⁽²⁾	-	Annual	None	45
Kensico Offshore Fund II, Ltd.	2,938,405	Global Long/Short Equity ⁽⁴⁾	-	Every three years	Three Year Lock-up Period expiring 6/30/17	90
Swiftcurrent Offshore, Ltd.	2,109,259	Global Long/Short Equity ⁽⁴⁾	-	Annual	None	60
Valinor Capital Partners Offshore, Ltd. 1B shares	1,864,954	Global Long/Short Equity ⁽⁴⁾	-	Annual	None	60
Valinor Capital Partners Offshore, Ltd. 1C shares	1,903,808	Global Long/Short Equity ⁽⁴⁾	-	Annual	33.3% Maximum Annually	60
Valinor Capital Partners Offshore, Ltd. SP4 1B shares	8,472	Global Long/Short Equity ⁽⁴⁾	-	Annual	None	60
Valinor Capital Partners Offshore, Ltd. SP4 1C shares	8,488	Global Long/Short Equity ⁽⁴⁾	-	Annual	33.3% Maximum Annually	60
Valinor Capital Partners Offshore, Ltd. SP15 1B shares	9,954	Global Long/Short Equity ⁽⁴⁾	-	Annual	None	60
Valinor Capital Partners Offshore, Ltd. SP15 1C shares	10,165	Global Long/Short Equity ⁽⁴⁾	-	Annual	33.3% Maximum Annually	60
Commonfund Capital Private Equity Partners V, L.P.	809,159	Private Equity ⁽⁵⁾	120,000	Daily	None	None

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

Fair Value Estimated Using Net Asset Value per Share at June 30, 2015

Investments	Fair Value	Category	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Commonfund Capital Private Equity Partners VI, L.P.	\$ 570,640	Private Equity ⁽⁵⁾	\$ 77,450	Daily	None	None
Endowment Venture Partners V, L.P.	361,470	Venture Capital ⁽⁶⁾	45,412	Daily	None	None
Commonfund Capital Venture Partners VI, L.P.	728,877	Venture Capital ⁽⁶⁾	41,940	Daily	None	None
Commonfund Capital Venture Partners VII, L.P.	864,892	Venture Capital ⁽⁶⁾	43,000	Daily	None	None
Legacy Venture V, LLC	2,083,793	Venture Capital ⁽⁶⁾	200,000	Daily	None	None
Davidson Kempner Institutional Partners, L.P.	3,653,818	Event Driven ⁽²⁾	-	Quarterly	None	65
Westbrook Real Estate Fund VIII LP	289,862	Real Estate ⁽⁸⁾	-	Daily	None	None
Dorchester Capital Secondaries Offshore II LP	80,048	Private Equity ⁽⁵⁾	294,398	Daily	None	None
Dorchester Capital Secondaries Offshore III LP	1,381,747	Private Equity ⁽⁵⁾	687,548	Daily	None	None
Lone Savin Ltd.	1,126,324	Global Long/Short Equity ⁽⁴⁾	-	Quarterly	None	30
Holt Opportunity Fund, 2013 LP	2,160,845	Real Estate ⁽⁸⁾	3,250,000	Daily	None	None
Rosemawr Capital II, LP	1,130,827	Municipal Bond	2,112,500	Quarterly	None	60
Tolis Investment Strategies	3,792,107	Credit Opportunities, Distressed Securities ⁽¹⁰⁾	-	Annual	None	90
Snow Lake China Offshore Fund Ltd.	3,565,988	Credit Opportunities, Long/short Equity ⁽¹¹⁾	-	Quarterly	Three Year Lock-up Period	45
Poplar Point Capital Partners, LP	3,826,136	Credit Opportunities ⁽¹²⁾	-	-	-	-
Kane Street Long, LP	3,573,740	Global Long/Short Equity ⁽¹²⁾	-	Quarterly	None	60
Highbrook Income Property Fund II, LP	883,398	Real Estate ⁽⁸⁾	2,932,801	Daily	Five Year Lock-up Period With Two 1 Year Extensions	None
Navitas Fund, LP	3,201,449	Natural Resources ⁽¹³⁾	-	Daily	None	None
Davidson Kempner Long-Term Distressed Opportunities International III LP	149,737	Credit Opportunities, Distressed Securities ⁽¹⁴⁾	2,850,000	Daily	None	None
Harbour Offshore Funds III, LP	215,721	Private Equity ⁽¹⁵⁾	4,275,667	Daily	None	None

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

- (1) This category includes investments in two hedge funds which are debt-focused special situations funds. These funds seek to earn superior risk-adjusted returns while emphasizing preservation of capital. The Funds plan to achieve this objective by employing both hedged and directional investment strategies primarily in the leveraged issuer, distressed debt and reorganized equity markets of North America and Europe.
- (2) This category includes one limited partnership and two hedge funds. The hedge funds were formed to effectuate the investment program of the Feeder Fund with the investment objective to seek maximum capital appreciation primarily by using a variety of investment techniques, including employing three event-driven investment strategies: merger arbitrage; distressed securities; and special situations. Hedge funds enter into transactions in various financial instruments with off-balance sheet risk. These financial instruments may include securities sold, not yet purchased, equity options, swap contracts, forward foreign currency contracts, portfolio funds, corporate debt, investments in private equity and sovereign government obligations. The limited partnership invests in public equity, fixed income, and hedging markets across the globe. It utilizes event-driven strategies including merger arbitrage, long/short, and convertible arbitrage to make its investments.
- (3) This category includes an investment in a hedge fund for the purpose of investing in securities such as loan originations and unleveraged real estate through its direct and indirect investments in master funds.
- (4) This category includes investments in hedge funds which invest in private equity securities, through Special Purpose Vehicles ("SPVs"), which consist of direct private preferred equity. Funds utilize various derivative contracts in connection with its proprietary trading activities including options, forward contracts, futures contracts and swap contracts.
- (5) This category includes investments in limited partnerships that invest primarily in other limited partnerships formed for the purpose of making venture capital investments in emerging growth companies, whose investments philosophy combines proprietary, direct and public securities investing with a view toward preserving principal and maximizing returns.
- (6) This category consists of limited partnerships that are formed to provide superior long-term investment returns and to encourage the members that all of the proceeds be given by them to their designated charities. Funds invest in limited partnerships and limited liability companies.
- (7) The fund's investment objective is to seek current income consistent with the preservation of principal primarily through investments in fixed-income securities. The fund is global fund that invests in issuers throughout the world.
- (8) This category includes an investment in a limited partnership formed to make "fund of fund" investments in real estate and real estate related funds located both in the United States and outside of the United States.
- (9) The fund's investment objective is to seek long-term capital appreciation. Under normal market conditions, the fund invests at least 80% of its net assets in equity securities of companies located in emerging market countries. A company will be considered to be located in an emerging market country if it is domiciled in or derives more than 50% of its revenues or profits from emerging market countries.
- (10) The fund invests substantially all of its assets through a master-feeder structure in a master fund that has the same objectives as the fund.
- (11) The fund's investment objective is to produce absolute returns with low market correlation. The fund targets to achieve this objective by maintaining a low net exposure hence generating returns mainly from individual stock pickings. The fund will achieve its objective by investing substantially all of its assets in a master fund.
- (12) The fund invests all of its assets in common stock and futures contracts.
- (13) The fund's objective is to generate meaningful capital appreciation with reasonable risk by investing primarily in small capitalization energy companies in the public market. The fund is permitted to invest in all types of investments, but invests principally in publically traded common stock and other equity securities of energy-related companies. The fund effects long and short sales of securities and uses option and other hedging strategies.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

- (14) The fund makes investments in less liquid and/or longer-duration private and public securities and other financial instruments (including, without limitation, senior, secured and unsecured bank debt and public debt, junior debt, bonds, trade claims, equities and convertible securities, options, swaps (including credit default swaps) and other derivatives of U.S. and non-U.S. companies that are (i) experiencing financial distress; (ii) attempting to complete an out-of-court restructuring, including spin-offs and recapitalizations; (iii) involved in a bankruptcy, liquidation or similar proceeding; (iv) involved in substantial litigation; and/or (v) expected to have an investment horizon greater than two years).
- (15) The fund invests in claims that are generally classified as investment contracts. Claims are measured and recorded at fair value. Fair value is generally initially equal to the sum of the initial cash payment made to commence the investment, plus, in certain cases, the transaction and due diligence costs which will generally be capitalized into the cost of the investment. Fair value is generally assessed on an on-going basis, based on all relevant and available information, including the historic cost of the investment and monthly assessments from the legal representatives on the potential outcome of the claims.

As of June 30, 2015, HRW was committed to contribute, if called upon, an aggregate of approximately \$8,400,000 of additional capital to certain limited partnerships.

4. Investments in Limited Partnerships

As of June 30, 2015, \$28,132,840 (22%) of HRW's investment portfolio consisted of interests in limited partnerships, which are engaged in a variety of investment strategies. As audited financial statements of these partnerships are only available as of the prior year end (December 31, 2014), HRW uses a valuation process to determine the value at the close of its fiscal year (June 30, 2015). The valuation process utilizes a variety of due diligence efforts including, but not limited to, advice of its investment advisors, Cambridge Associates, benchmarking data of comparable partnerships which are available, fund manager credentials, and queries of the partnerships by their independent auditors. Investment gains resulting from these investments were \$1,611,296 for the year ended June 30, 2015.

These investment entities invest in various domestic and international types of securities and derivative financial instruments. Redemptions of HRW's investments in these investment entities vary, but are primarily available at month-end, quarter-end, or year-end with appropriate notice. Management fees and incentive fees are charged by these investment entities at an annual rate ranging from .3% to 2.0% plus an incentive allocation, usually 20% of profits.

In general, risks associated with such investments include those related to their underlying investments.

There can be no assurance that HRW will continue to achieve the same level of returns on its investments in limited partnerships and other investment companies that it has received during the past periods or that it will achieve any returns on such investments at all. In addition, there can be no assurance that HRW will receive a return of all or any portion of its current or future capital investments in limited partnerships and other investment companies. The failure of HRW to receive the return of a material portion of its capital investments in these investments, or to achieve historic levels of returns on such investments, could have a material adverse effect on HRW's financial condition and results of operations.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

5. Contributions Receivable, Net

At June 30, 2015, the net present value of contributions receivable is \$62,197,764. Net present value was calculated using a discount rate equal to the risk-free interest rate, commensurate with the expected collection of the pledge based on the U.S. Treasury note interest rate in effect at the time contributions are made. The discount rate used in this calculation ranged from .47 % to 2.96%.

Net present value of contributions receivable, net of a reserve for doubtful accounts, at June 30, 2015 is summarized below:

June 30, 2015

Total contributions receivable at June 30, 2015	\$65,215,229
Allowance for doubtful accounts	(200,000)
Total	65,015,229
Net present value discount	(2,817,465)
Net present value of contributions receivable at June 30, 2015	\$62,197,764
<hr/>	
Amount due in:	
One year	\$22,067,719
Two to five years	43,147,510
Total	\$65,215,229

During the fiscal year ended June 30, 2011, HRW received a pledge from the Foundation to Promote Open Society, of which George Soros is Chairman, for general support totaling \$100,000,000. The grant is being paid in installments of \$10,000,000 over ten years and was recorded as temporarily restricted income in the statement of activities at its net present value. Through June 30, 2015, HRW has received \$50,000,000 towards the fulfillment of the pledge.

6. Fixed Assets, Net

Fixed assets, net consist of the following:

June 30, 2015

Leasehold improvements	\$ 8,741,337
Furniture and fixtures	561,436
Office equipment	1,164,862
Computer hardware and software	6,332,396
	16,800,031
Less: Accumulated depreciation and amortization	(9,865,930)
	\$ 6,934,101

Depreciation and amortization expenses for the year ended June 30, 2015 were \$1,427,435.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

7. Temporarily Restricted Net Assets and Net Assets Released From Restrictions

Temporarily restricted net assets were available for the following purposes at June 30, 2015:

June 30, 2015

Donor-imposed time restrictions	\$ 97,682,890
Endowment fund	109,971,567
	<hr/>
	\$207,654,457

Temporarily restricted net assets that were released from donor restrictions at June 30, 2015 are as follows:

Donor-imposed time restrictions	\$37,581,523
---------------------------------	--------------

8. Endowments - Net Asset Classifications

HRW's endowments consist of investments that are temporarily restricted. Under ASC 958-205, the following applies to the endowment funds:

Interpretation of relevant law - the spending of endowment funds by a not-for-profit corporation in the State of New York is currently governed by the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). HRW has interpreted NYPMIFA as requiring the preservation of the historical dollar value, or principal, of an endowment fund unless the donor provides otherwise by specifying in their written gift instruments that the not-for-profit corporation's spending-rate policy be applied to the endowment funds.

Investment and spending policies - HRW has adopted investment and spending policies for endowment assets that attempt to provide a stream of returns that would be utilized to fund various programs while seeking to maintain the purchasing power of the endowment assets. The endowment funds are invested in vehicles such as government and equity securities, as well as alternative investments and private equity.

HRW considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the funds;
- the purposes of HRW and the donor-restricted endowment funds;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation/depreciation of investments;
- other resources of HRW; and
- the investment policy of HRW.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

For the year ended June 30, 2015, all assets included in HRW's Endowment Fund are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2015
Cash and cash equivalents	\$ 5,787,869	\$ -	\$ -	\$ 5,787,869
Corporate bonds:				
Consumer Staples	-	-	-	-
Financial	-	844	-	844
Other	-	4,040	-	4,040
U.S. government obligations	-	7,058	-	7,058
Equity securities:				
Materials	314,969	-	-	314,969
Industrial	2,966,905	-	-	2,966,905
Consumer discretionary	1,784,098	-	-	1,784,098
Financial	1,964,754	-	-	1,964,754
Mutual funds:				
Diversified	3,752,494	-	-	3,752,494
Index	28,617,583	-	-	28,617,583
Blended	21,087,407	-	-	21,087,407
Alternative investments:				
Hedge funds, pooled investments and limited partnerships	-	-	43,683,546	43,683,546
Total	\$66,276,079	\$11,942	\$43,683,546	\$109,971,567

The following table represents the reconciliation of changes in endowment net assets for the year ended June 30, 2015:

	Temporarily Restricted
Endowment net assets, beginning of year	\$107,700,017
Investment income:	
Investment income	1,222,406
Net appreciation (realized and unrealized)	1,924,953
Investment fees	(875,809)
Total investment income, net	2,271,550
Endowment net assets, end of year	\$109,971,567

9. Retirement Plan

HRW has a tax deferred annuity plan (the "Plan") under Section 403(b) of the Internal Revenue Code. Participating employees make pretax contributions of up to the maximum allowable IRS limitations. All full time U.S. employees are eligible to participate in the Plan as of their date of hire. Upon participation in the Plan, employees are 100% vested in their contributions.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

HRW also has a defined contribution plan (the "Plan") under Section 403(b) of the Internal Revenue Code. Each year, HRW contributes to the Plan 10% of each participant's before-tax compensation subject to annual IRS limitations. All full time U.S. employees are eligible to participate after two years of continuous employment. Participants become fully vested immediately following participation in the Plan. HRW's contribution for the year ended June 30, 2015 was \$2,325,632.

On February 5, 2015, the HRW Board of Directors approved a resolution to merge the Human Rights Watch, Inc. 403(b) defined contribution Plan and the Human Rights Watch, Inc. 403(b) tax deferred annuity Plan into one plan, the Human Rights Watch Retirement Savings Plan, effective January 1, 2015. Participating employees make pretax contributions of up to the maximum allowable IRS limitations. All full time U.S. employees are eligible to participate in the Plan as of their date of hire. Upon participation in the Plan, employees are 100% vested in their contributions. HRW also makes a discretionary contribution based upon a percentage of an employee's salary, which become 100% vested upon contribution.

10. Commitments

Pursuant to facility and equipment lease agreements in the U.S. and various countries, HRW is obligated for minimum annual rentals to nonrelated parties, as indicated below. Minimum future annual rental payments under the lease agreements expiring in 2026 are as follows:

<i>Year ending June 30,</i>	
2016	\$ 3,662,076
2017	3,423,641
2018	3,287,273
2019	3,298,072
Thereafter	20,707,975
	<hr/>
	\$34,379,037

HRW leases office space in various countries on a month-to-month basis. Rent expense for the year ended June 30, 2015 amounted to 6,230,525. HRW has a line of credit in the amount of \$694,931 which represents a security deposit for the New York office.

Human Rights Watch, Inc.

Notes to Financial Statements as of June 30, 2015

11. Other Programs

Other programs as presented in the accompanying statements of activities and functional expenses consist of the following:

June 30, 2015

Arms	\$ 1,064,538
Business	1,382,241
Disability Rights Division	717,096
Emergency Response	1,783,242
Fellows	1,170,802
Film Festival	1,257,887
Grants to Others	459,606
Habre	704,777
LGBT	1,370,754
Multimedia	1,466,346
Outreach	5,461,246
Refugee	647,078
Total	\$17,485,613

12. Contingencies

Various lawsuits against HRW may arise in the ordinary course of business. Contingent liabilities arising from such litigation and other matters are not expected to be material in relation to the financial position of HRW.

13. Subsequent Events

HRW's management has performed subsequent events procedures through November 9, 2015 which is the date the financial statements were available for issuance and there were no subsequent events requiring adjustments or disclosure to the financial statements.