Financial Statements and Report of Independent Certified Public Accountants

Amnesty International of the U.S.A., Inc.

December 31, 2019 and 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Amnesty International of the U.S.A., Inc.

We have audited the accompanying financial statements of Amnesty International of the U.S.A., Inc. ("AIUSA"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to AIUSA'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 AIUSA'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.

Grant Thornton

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amnesty International of the U.S.A., Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York
June 15, 2020

Amnesty International of the U.S.A., Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	2019	2018
ASSETS		
Cash and cash equivalents (Note 2)	$ 6,377,905	$ 7,303,464
Investments, at fair value (Notes 2, 3 and 6)	18,624,524	15,811,142
Contributions receivable (Note 4)	2,435,113	3,101,852
International Secretariat receivable	-	165,848
Prepaid expenses and inventory (Note 2)	2,167,015	794,843
Fixed assets, net (Notes 2 and 5)	247,138	399,793
Total assets	$ 29,851,695	$ 27,576,942
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 424,720	$ 1,263,206
Payroll and payroll taxes payable	696,296	1,173,793
International Secretariat assessment payable	1,554,428	-
Charitable gift annuity obligation (Note 6)	2,034,090	2,307,084
Total liabilities	4,709,534	4,744,083
NET ASSETS		
Without donor restrictions	20,455,254	18,801,844
With donor restrictions (Notes 7 and 8)	4,686,907	4,031,015
Total net assets	25,142,161	22,832,859
Total liabilities and net assets	$ 29,851,695	$ 27,576,942

The accompanying notes are an integral part of these financial statements.

Amnesty International of the U.S.A., Inc.

STATEMENTS OF ACTIVITIES

Years ended December 31,

	2019			2018		
	Without Donor Restrictions	**With Donor Restrictions**	**2019 Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**2018 Total**
OPERATING REVENUE AND SUPPORT						
Contributions	$ 37,249,162	$ 1,808,437	$ 39,057,599	$ 34,307,092	$ 580,340	$ 34,887,432
Grants from foundations	152,985	532,000	684,985	98,440	253,000	351,440
Bequests and planned giving	9,704,035	35,000	9,739,035	8,837,022	35,000	8,872,022
International Secretariat grants and pass-through grants	54,147	13,903	68,050	112,603	1,027,257	1,139,860
Donated services (Note 10)	93,670	-	93,670	16,056	-	16,056
Literature and merchandise sales (net of cost of goods sold of $5,619 and $13,254 in 2019 and 2018, respectively)	56,338	-	56,338	123,222	-	123,222
Miscellaneous revenue	152,273	-	152,273	168,150	4,543	172,693
Net assets released from restrictions (Note 7)	2,571,998	(2,571,998)	-	2,576,402	(2,576,402)	-
Total operating revenue and support	50,034,608	(182,658)	49,851,950	46,238,987	(676,262)	45,562,725
EXPENSES						
Program services	39,306,000	-	39,306,000	37,041,260	-	37,041,260
Management and general	2,290,484	-	2,290,484	2,121,526	-	2,121,526
Fundraising	9,674,683	-	9,674,683	7,754,916	-	7,754,916
Total expenses	51,271,167	-	51,271,167	46,917,702	-	46,917,702
(Decrease) increase in net assets before nonoperating activities	(1,236,559)	(182,658)	(1,419,217)	(678,715)	(676,262)	(1,354,977)
NONOPERATING ACTIVITIES						
Change in value of gift annuity obligations	50,000	-	50,000	(124,595)	-	(124,595)
Net realized gains (losses) on investments	1,586,069	(4,500)	1,581,569	41,260	2,288	43,548
Net unrealized gains (losses) on investments	982,611	763,841	1,746,452	(607,339)	(151,887)	(759,226)
Interest and dividends, net of fees	271,289	79,209	350,498	272,772	76,563	349,335
Total nonoperating activities	2,889,969	838,550	3,728,519	(417,902)	(73,036)	(490,938)
Changes in net assets	1,653,410	655,892	2,309,302	(1,096,617)	(749,298)	(1,845,915)
Net assets, beginning of year	18,801,844	4,031,015	22,832,859	19,898,461	4,780,313	24,678,774
Net assets, end of year	$ 20,455,254	$ 4,686,907	$ 25,142,161	$ 18,801,844	$ 4,031,015	$ 22,832,859

The accompanying notes are an integral part of these financial statements.

Amnesty International of the U.S.A., Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2019

	Program Services	Management and General	Fundraising	Total 2019
Compensation	$ 6,824,877	$ 1,283,468	$ 1,690,077	$ 9,798,422
Payroll taxes and employee benefits	1,414,434	432,744	339,682	2,186,860
Direct communications	10,558,654	93,035	3,795,732	14,447,421
International Secretariat assessment (Note 9)	13,043,061	-	-	13,043,061
Donated services (Note 10)	76,810	9,367	7,494	93,671
Occupancy	1,618,796	193,924	240,624	2,053,344
Professional fees	2,036,522	79,046	553,917	2,669,485
Travel and meetings	1,726,997	49,334	174,974	1,951,305
Program materials and office supplies	683,233	43,962	1,756,608	2,483,803
Telecommunication and technology	409,565	40,788	122,134	572,487
Bank and insurance fees	79,110	9,411	713,958	802,479
Postage and delivery	115,622	17,957	104,912	238,491
Equipment repair and maintenance	97,041	11,269	8,981	117,291
Dues and subscriptions	376,803	10,912	153,378	541,093
Grants and awards	119,299	-	-	119,299
Total expenses before depreciation and amortization	39,180,824	2,275,217	9,662,471	51,118,512
Depreciation and amortization	125,176	15,267	12,212	152,655
Total	$ 39,306,000	$ 2,290,484	$ 9,674,683	$ 51,271,167

The accompanying notes are an integral part of this financial statement.

Amnesty International of the U.S.A., Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2018

	Program Services	Management and General	Fundraising	Total 2018
Compensation	$ 6,933,703	$ 1,185,521	$ 1,487,235	$ 9,606,459
Payroll taxes and employee benefits	1,307,811	373,387	303,689	1,984,887
Direct communications	8,898,371	136,470	3,242,394	12,277,235
International Secretariat assessment (Note 9)	12,669,793	-	-	12,669,793
Donated services (Note 10)	13,166	1,606	1,284	16,056
Occupancy	1,504,750	182,801	204,311	1,891,862
Professional fees	1,631,320	64,337	530,566	2,226,223
Travel and meetings	1,620,986	29,449	135,246	1,785,681
Program materials and office supplies	1,116,012	49,792	822,664	1,988,468
Telecommunication and technology	368,007	38,495	95,522	502,024
Bank and insurance fees	87,163	10,630	657,123	754,916
Postage and delivery	117,120	12,258	125,119	254,497
Equipment repair and maintenance	81,361	9,826	7,861	99,048
Dues and subscriptions	355,705	9,643	128,054	493,402
Grants and awards	194,043	-	-	194,043
Total expenses before depreciation and amortization	36,899,311	2,104,215	7,741,068	46,744,594
Depreciation and amortization	141,949	17,311	13,848	173,108
Total	$ 37,041,260	$ 2,121,526	$ 7,754,916	$ 46,917,702

The accompanying notes are an integral part of this financial statement.

Amnesty International of the U.S.A., Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 2,309,302	$ (1,845,915)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation and amortization	152,655	173,108
Net realized gains on investments	(1,581,569)	(43,548)
Net unrealized losses (gains) on investments	(1,746,452)	759,226
Donated investments	(1,890,331)	(1,313,155)
Changes in assets and liabilities		
Contributions receivable	666,739	692,998
International Secretariat assessment receivable	165,848	(165,848)
Inventory	-	4,054
Prepaid expenses	(1,372,172)	(320,230)
Accounts payable and accrued expenses	(838,486)	624,836
Payroll and payroll taxes payable	(477,497)	501,854
International Secretariat assessment payable	1,554,428	(685,449)
Charitable gift annuity obligations	(272,994)	(124,890)
Net cash used in operating activities	(3,330,529)	(1,742,959)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	-	(30,138)
Purchases of investments	(7,197,709)	(609,974)
Proceeds from sales of investments	9,602,679	2,229,472
Net cash provided by investing activities	2,404,970	1,589,360
Net decrease in cash and cash equivalents	(925,559)	(153,599)
Cash and cash equivalents, beginning of year	7,303,464	7,457,063
Cash and cash equivalents, end of year	$ 6,377,905	$ 7,303,464
Supplementary information:		
Donated investments	$ 1,890,331	$ 1,313,155

The accompanying notes are an integral part of these financial statements.

NOTE 1 – DESCRIPTION OF ORGANIZATION

Amnesty International of the U.S.A., Inc. ("AIUSA") is the U.S. section of Amnesty International Limited ("AI"), a worldwide movement of people who campaign for internationally recognized human rights. Our vision is of a world in which every person - regardless of race, religion, ethnicity, sexual orientation or gender identity - enjoys all of the human rights enshrined in the Universal Declaration of Human Rights and other internationally recognized human rights standards.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Financial Statement Presentation

The classification of AIUSA's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each class of net assets (i.e., net assets with donor restrictions and net assets without donor restrictions) be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Income from investment gains and losses, including unrealized gains and losses, dividends, interest, contributions and other inflows are reported as increases (or decreases) in net assets without donor-restrictions unless the use of the income received is limited by donor-imposed restrictions.

The classes of net assets are defined as follows:

> *Without donor restrictions* - Represent net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available, and/or the net assets which the Board of Directors has available to use in carrying on the operations of AIUSA.
>
> *With donor restrictions* - Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. Net assets with donor restrictions are subject to donor-imposed restrictions that require the AIUSA to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.
>
> Net assets with donor restrictions also includes the corpus of gifts, which must be maintained in perpetuity, but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes in accordance with donor stipulations.

Measure of Operations

AIUSA includes in its definition of operations all revenue and expenses that are an integral part of its programs and supporting activities. Investment income, including net realized and unrealized gains and losses, the change in value of gift annuity obligations, and other items that are considered to be unusual or non-recurring in nature are recognized as part of nonoperating activities.

Cash and Cash Equivalents

AIUSA considers all investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Financial instruments which potentially subject AIUSA to a concentration of credit risk consist primarily of cash and cash equivalents. At various times, AIUSA has cash deposits at financial institutions which exceed the Federal Deposit Insurance Corporation insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is immaterial.

Investments

Accounting Standards Codification ("ASC") 820-10, *"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 AIUSA would use in pricing AIUSA's asset or liability based on independently derived and observable market data as of the reporting date. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of AIUSA are traded. AIUSA 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 the 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 as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment. Examples include equity securities and publicly traded mutual funds that are actively traded on a major exchange or over-the-counter market;

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; and

Level 3 - Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value. Examples include limited partnerships, private equity investments and similar instruments.

An 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.

Investments are stated at fair value on the statement of financial position. Investment income is recognized when earned. Net realized gains and losses and net change in unrealized gains and losses for the fiscal year are shown on the statement of activities. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Investment Impairment

AIUSA's investments consist of equity securities and fixed income securities. At December 31, 2019 and 2018, AIUSA has deemed that all securities, which were in an unrealized loss position, were temporarily impaired. Positive evidence considered in reaching AIUSA's conclusion that the unrealized loss position for equity securities is not other-than temporarily impaired consists of:

a. The ability and intent to retain the investment for a sufficient amount of time to allow an anticipated recovery in value to occur; and

b. Determining that the changes in fair value were reasonable in relation to overall fluctuations in relevant market conditions.

c. AIUSA considers the following evidence in reaching the conclusion that the unrealized loss on fixed income instruments was not other-than-temporarily impaired:

d. Whether or not it intends to sell its investments before the full recovery of cost basis; and

e. Whether or not it will be required to sell its investments before the full recovery of cost basis.

Contributions Receivable

Contributions and bequests are recorded as revenues at fair value as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor-imposed restrictions, and are recognized in the period received.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions on which they depend are substantially met.

Allowance for Doubtful Accounts

AIUSA uses the allowance method for uncollectible receivables. 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.

Inventory

Inventory consists of merchandise and publications sold by AIUSA. The inventory consists mainly of AIUSA logo tee shirts, buttons, posters, and bags carried at the lower of cost or market.

Fixed Assets

Fixed assets are recorded at cost. Expenditures for additions are capitalized for amounts greater than $5,000 and with useful lives of greater than five years. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets, as follows:

Furniture, fixtures and office equipment	5 years
Leasehold improvements	Lesser of life of asset or term of lease

Impairment of Long-Lived Assets to be Disposed of

ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets,* provides a single accounting model for long-lived assets to be disposed of. ASC 360-10 also changes the criteria for classifying an asset as held for sale, and broadens the scope of businesses to be disposed of that qualify for reporting as discontinued operations and changes the timing of recognizing losses on such operations.

In accordance with ASC 360-10, long-lived assets, such as property, plant and equipment, and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented on the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position. There were no impairment charges for the years ended December 31, 2019 and 2018.

Revenue Recognition

AIUSA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase to restricted support at the time of receipt and as net assets released from restrictions. Unconditional promises to give with payments due in future years are presumed to be time restricted by the donor until received and are reported as part of net assets with donor restrictions.

AIUSA recognizes gifts of land, buildings and equipment at fair value on the date of gift. Gifts of land, buildings and equipment are reported as general operating support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long such long-lived assets must be maintained, AIUSA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

AIUSA also receives grants from foundations for the performance of various services. AIUSA recognizes grants as donor-restricted revenue when they are committed and releases such amounts into net assets without donor restriction as related grant expenses are incurred to a maximum of the grant award.

AIUSA recognizes revenue from donor list rentals, conference fees and rental income, when earned.

Donated Services

The fair value of voluntary donated services are reported in the financial statements if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would typically be purchased if not otherwise provided by donation.

Functional Allocation Expenses

The costs of providing the various programs and other activities of AIUSA have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based principally on square footage, time and effort.

Allocation of Joint Costs

The cost of joint activities relative to AIUSA's direct mail program and certain centrally billed costs are allocated amongst the appropriate functions benefitted.

Use of Estimates

The preparation of financial statements in conformity with US 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.

Income Taxes

AIUSA follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

AIUSA is exempt from federal income tax under Internal Revenue Code ("IRC") Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. AIUSA has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. AIUSA has determined that there are no material uncertain tax positions that require recognition or disclosure in its financial statements. In addition, AIUSA has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

New Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers,* which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Deferral of the Effective Date,* which deferred the effective date of ASU 2014-09 by one year. The guidance is effective for the interim and annual periods on or after December 15, 2018 (i.e., AIUSA's year ended December 31, 2019). The guidance permits the use of either a retrospective or cumulative effect transition method. AIUSA adopted ASU No. 2014-09 for the year ended December 31, 2019 and concluded that the impact of this guidance did not have a material impact on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for AIUSA for the year ended December 31, 2021. Early adoption is permitted. AIUSA is in the process of evaluating the impact this standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* This ASU impacts all organizations that receive or make contributions of cash or other assets and includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. It also provides a framework for determining whether a contribution is conditional or unconditional, which will impact the timing of revenue recognition. The determining factor for whether an organization will account for a grant/contract/agreement as a contribution or an exchange transaction is whether the asset provider is receiving commensurate value in return for those assets. If commensurate/proportionate value is received, the contribution will be accounted for as an exchange transaction and revenue recognition or other applicable standards will be followed. If commensurate value is not received by the asset provider, the contribution is accounted for as a contribution and will follow contribution standards. If some value but not commensurate value is received, then the contribution will be accounted for as both an exchange transaction and a contribution. For resource recipients, the new standard was effective for annual financial statements beginning after December 15, 2018 and for resource providers, the net standard was effective for annual financial statements beginning after December 15, 2019. AIUSA adopted ASU No. 2018-08 for the year ended December 31, 2019 and concluded that the impact of this guidance did not have a material impact on its financial statements.

NOTE 3 - INVESTMENTS

Investments, at fair value, at December 31, 2019 and 2018 are summarized as follows:

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	$ 274,159	$ 274,159	$ 273,509	$ 273,509
Certificate of deposit	384,552	384,552	-	-
Equities – mutual fund	11,584,600	9,721,488	9,744,925	9,210,248
Fixed income – bond index fund	6,381,213	6,158,920	5,792,708	5,986,451
	$ 18,624,524	$ 16,539,119	$ 15,811,142	$ 15,470,208

Net investment return (loss) consists of the following for the years ended December 31, 2019 and 2018:

	2019	2018
Net realized gains on investments	$ 1,581,569	$ 43,548
Net unrealized gains (losses) on investments	1,746,452	(759,226)
Interest and dividends, net of fees	350,498	349,355
	$ 3,678,519	$ (366,323)

AIUSA'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 for a discussion of AIUSA's policies regarding this hierarchy.

A description of the valuation techniques applied to AIUSA's major categories of investment assets measured at fair value on a recurring basis follows:

Equities

AIUSA holds positions in a social index mutual fund and no longer engages the services of active portfolio asset managers. This mutual fund tracks a benchmark of large and mid-capitalization stocks that have been screened for certain social, human rights, and environmental criteria. AIUSA also has an activism stock portfolio used solely to buy and hold small equity positions in companies to get access to shareholder meetings and file shareholder proposals. The prices used to value these investments are based on observable market data and are classified as Level 1.

Fixed Income

AIUSA no longer engages the services of active portfolio asset managers and instead has positions in an intermediate-term bond index fund. This mutual fund offers a low cost, diversified approach to fixed income investing, and provides broad exposure to U.S. investment grade bonds with maturities from 5 to 10 years. These securities are categorized as Level 1 and observable market data is used to value these investments.

The following tables present the level within the fair value hierarchy at which AIUSA's investment assets that are measured at fair value on a recurring basis are included. These assets are presented on a disaggregated basis by class, determined by the nature and risk associated with each investment.

	Fair Value Measurement at Reporting Date Using			
Description	Quoting Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Balance as of December 31, 2019
Cash and cash equivalents	$ 274,159	$ -	$ -	$ 274,159
Certificate of deposit	384,552	-	-	384,552
Equities – mutual funds				
FTSE social index fund	11,584,600	-	-	11,584,600
Fixed income				
Intermediate-term bond index fund-	6,381,213	-	-	6,381,213
Total	$ 18,624,524	$ -	$ -	$ 18,624,524

	Fair Value Measurement at Reporting Date Using			
Description	Quoting Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Balance as of December 31, 2018
Cash and cash equivalents	$ 273,509	$ -	$ -	$ 273,509
Equities – mutual funds				
U.S. large cap	75,912	-	-	75,912
FTSE social index fund	9,669,013	-	-	9,669,013
Fixed income				
Intermediate-term bond index fund	5,792,708	-	-	5,792,708
Total	$ 15,811,142	$ -	$ -	$ 15,811,142

There were no transfers between levels during the years ended December 31, 2019 and 2018.

NOTE 4 - CONTRIBUTIONS RECEIVABLE, NET

At December 31, 2019 and 2018, the net present value of contributions receivable totaled $2,435,113 and $3,101,852, respectively. As of December 31, 2019, and 2018, all contributions were expected to be collected within one year and, accordingly, there was no net present value discount recorded.

AIUSA expects to receive cash, investment and other assets from various estates. At present, the terms and amounts of these contributions have not been finalized and, accordingly, no amounts pertaining to such conditional gifts have been recognized in the accompanying financial statements.

NOTE 5 - FIXED ASSETS, NET

Fixed assets, net, at December 31, 2019 and 2018 consist of the following:

	2019	2018
Furniture and fixtures	$ 313,868	$ 313,868
Office equipment	885,898	885,898
Leasehold improvements	951,217	951,217
	2,150,983	2,150,983
Less: Accumulated depreciation and amortization	(1,903,845)	(1,751,190)
	$ 247,138	$ 399,793

For the years ended December 31, 2019 and 2018, depreciation and amortization expense totaled $152,655 and $173,108, respectively.

NOTE 6 - SPLIT-INTEREST AGREEMENTS

AIUSA administers the following two types of split-interest agreements:

Charitable Gift Annuity - Under Charitable Gift Annuity agreements with donors, donors make contributions in exchange for a promise to receive a fixed amount over a specified period of time, usually the life of the respective donor or stipulated beneficiary. During the term of the agreement, AIUSA acts as a custodian of these funds whereby the asset and the net present value of related liabilities pertaining to amounts payable to annuitants are reflected in the statement of financial position. After the termination of the agreement, the remaining assets, if any, belong to AIUSA. At December 31, 2019 and 2018, the charitable gift annuity investment account had a fair value of $2,656,983 and $2,312,274, and the related liability amounted to $2,034,090 and $2,307,084, including a reserve for $265,316 and $300,924, respectively, which are included on the accompanying statements of financial position. The 2012 IAR mortality table was used to calculate the charitable gift annuity obligation as of December 31, 2019 and 2018.

Pooled Income Fund - Under the terms of the pooled income fund, contributions from donors are invested in a pooled investment account. This account is divided into units and contributions from various donors are invested as a group. At the date of donation, donors are assigned a specific number of units based on the fair value of their donation as compared to the total value of the fund. The donors receive actual income earned by the fund based on the number of units throughout their lives. Upon their demise, the value of their assigned units reverts to AIUSA. The contribution of the arrangement is recognized as part of net assets with donor restrictions in the statement of activities in the period received. At December 31, 2019 and 2018, the pooled income fund had a fair value of $205,610 and $170,102, respectively.

NOTE 7 - RESTRICTED NET ASSETS

Net assets with donor restrictions and which are wholly expendable for the following purposes at December 31, 2019 and 2018 are as follows:

	2019	2018
Women's Rights	$ -	$ 19,527
Gun Violence	125,000	32,670
Coordination Group	-	24,901
Human Rights in Middle East and North Africa	-	25,000
Immigration Rights	-	178,875
Ladis Kristof Memorial Fund	14,343	14,187
Security with Human Rights	-	10,705
Pooled Income Fund	205,610	170,102
Individuals at Risk	35,000	-
Death Penalty Abolition	125,000	-
Advocacy	329,000	203,018
Youth Leadership Fellowship	-	10,000
Why Not Initiative	457,522	409,225
Other	41,952	146,801
Net endowment return (subject to Board appropriation for expenditure)	1,110,431	542,955
	$ 2,443,858	$ 1,787,966

Net Assets Released from Restrictions

The amount of net assets released from restrictions during each of the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Women's Rights	$ 34,527	$ 44,543
Individuals at Risk	3,000	38,000
Gun Violence	82,670	484,249
Coordination Group	24,901	1,160
Student and Local Group	13,903	4,542
Immigration Rights	641,169	408,216
Pooled Income Fund	3,846	22,635
Advocacy	203,018	249,369
Youth Leadership Fellowship	10,000	10,000
Why Not Initiative	57,547	46,876
Endowment spending and other	148,051	105,670
Women's and Children's Rights	994,626	-
BETHERE	115,000	-
GoldmanGives	68,048	-
Student and Youth	25,000	-
International Secretariat Fundraising Investment Fund (FIF) and Others	50,000	1,027,257
Human Rights in Middle East and North Africa	25,000	-
Ladis Kristof Memorial Fund	10,344	16,869
Security with Human Rights	10,705	75,349
Death Penalty Abolition	-	11,667
Political Prisoners	50,643	30,000
	$ 2,571,998	$ 2,576,402

NOTE 8 - ENDOWMENTS - NET ASSET CLASSIFICATIONS

AIUSA maintains a donor-restricted endowment fund consisting of various investment funds that have been established for various purposes and have been classified as part of net assets with donor restrictions.

Under ASC 958-205, the following applies to AIUSA's 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"), a modified version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), as enacted in 2010 in the New York Not-For-Profit Corporation Law. AIUSA has interpreted NYPMIFA as allowing the governing board of the organization to make available for expenditure as much of an endowment fund, including principal, as the governing board determines to be prudent, taking into consideration the "uses, benefits, purposes and duration" for which the fund was established. The governing board must act in good faith and must consider various factors, if relevant, when making decisions, including the organization's investment policy, purposes of the organization and the fund and general economic conditions.

The Board of Directors of AIUSA 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. As a result of this interpretation, the endowment fund, which is classified as part of net assets with donor restrictions, includes the following:

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

Investment and spending policies - AIUSA 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. Endowment assets include those assets of donor-restricted funds that AIUSA must hold in perpetuity as directed by the donors. The endowment funds are invested in vehicles such as mutual funds, bonds, and equity securities.

AIUSA 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 AIUSA and its 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 AIUSA; and
- The investment policy of AIUSA.

At December 31, 2019 and 2018, donor-restricted contributions held in perpetuity, the income from which is expendable for the following purposes, are as follows:

	2019	2018
General Endowment	$ 476,215	$ 476,215
Stronach Fund for Women's Rights	519,874	519,874
Ginetta Sagan Fund	546,960	546,960
Alexandra Hawkins Trust	700,000	700,000
	$ 2,243,049	$ 2,243,049

The following table provides a reconciliation of the change in AIUSA's donor-restricted endowment fund net assets for the years ended December 31, 2019 and 2018:

	2019		
	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total
Endowment net assets, at beginning of year	$ 2,243,049	$ 542,955	$ 2,786,004
Investment income, net of fees	-	65,641	65,641
Net appreciation	-	633,085	633,085
Contributions	-	-	-
Appropriation of endowment assets for expenditure	-	(131,250)	(131,250)
Endowment net assets, at end of year	$ 2,243,049	$ 1,110,431	$ 3,353,480

	2018		
	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total
Endowment net assets, at beginning of year	$ 2,243,049	$ 704,577	$ 2,974,626
Investment income, net of fees	-	63,013	63,013
Net depreciation	-	(124,562)	(124,562)
Contributions	-	-	-
Appropriation of endowment assets for expenditure	-	(100,073)	(100,073)
Endowment net assets, at end of year	$ 2,243,049	$ 542,955	$ 2,786,004

AIUSA has adopted investment and spending policies for restricted assets that attempt to provide reserves in the event of a cash shortfall or unanticipated change in its operating environment and/or provide an income stream for AIUSA. The minimum targeted rate of return on AIUSA's investment assets is based on meeting or exceeding benchmark indicators established for each of its accounts: including, reserves, several endowment accounts, several charitable gift annuity accounts, and a pooled income fund account.

Under this policy, as approved by the Investment Committee and the Board of Directors, the investment performance of AIUSA's portfolio will be measured relative to the market benchmarks depending on the type of account.

To satisfy its long-term rate of return objectives, AIUSA 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). AIUSA targets a diversified asset allocation primarily invested in common stocks and bonds/other short-term investments, within prudent risk constraints, to achieve its long-term return objectives while also preserving capital. In establishing this policy, AIUSA considers the long-term expected return of its endowment and the objective to spend a portion of donations on program activities. To preserve the endowment funds' long-term purchasing power, AIUSA will make available to be spent each year 4% of the rolling fair value average of the investment portfolio for the last eight quarters, or the spending policy set forth by the respective donor agreement, to comply with NYPMIFA. These spending policies will be measured annually against the rebuttable presumption of imprudence test required to determine compliance with NYPMIFA. The sources of spending will be from interest, dividends, and capital gains, net of investment management fees. AIUSA will draw from underwater endowment funds when determined to be prudent.

NOTE 9 - TRANSACTIONS WITH AFFILIATED ORGANIZATIONS

AI is a not-for-profit United Kingdom corporation, overseen by the International Secretariat, which performs research and other functions in support of its affiliated organizations worldwide. AIUSA is one of many affiliated national organizations, which contributes funds for the support of the program activities of AI through an annual assessment. For the years ended December 31, 2019 and 2018, this assessment totaled $13,043,061 and $12,669,793, respectively. These contributions support research into human rights violations worldwide and the coordination of international efforts to stop them. Funds also go to prevent and end grave abuses of the rights to physical and mental integrity, freedom of conscience and expression, and freedom from discrimination. The global movement is seeking to grow activities “closer to the ground” which involves decentralization of operations with a focus on work in the global south. This includes support for international collaboration and program development as well as participation in or convening international meetings furthering the goals of the collective movement.

NOTE 10 - DONATED SERVICES

Donated services are recognized as contributions if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by AIUSA. For the years ended December 31, 2019 and 2018, AIUSA recorded donated legal services at an estimated fair value of $93,670 and $16,056, respectively. Fair value was determined based on law firms providing pro bono legal services. Additionally, AIUSA depends on a substantial number of unpaid volunteers who make significant contributions to its programs. These volunteer services do not meet the criteria for recognition and have not been recorded in the accompanying financial statements.

NOTE 11 - RETIREMENT PLANS

AIUSA has defined contribution retirement plans covering substantially all employees who meet certain length-of-service and age requirements. AIUSA currently contributes 3% of eligible earnings. Participants are fully vested after two years of service and their contributions are nonforfeitable. The total retirement expense totaled $295,924 and $200,368 for the years ended December 31, 2019 and 2018, respectively.

AIUSA has defined contribution plans which are available to all employees of AIUSA for elective deferral. Participation becomes effective as of the first day of the month following the first day of employment. Each year, participants are permitted to contribute to the plan an amount not to exceed the dollar limitation, as prescribed by the IRC. Participants are fully vested in their elective deferrals immediately following participation in the plan.

NOTE 12 - JOINT COSTS

For the years ended December 31, 2019 and 2018, AIUSA incurred joint costs of $13,672,132 and $11,139,983, respectively (other than donated services), for information materials and activities that included fundraising appeals. Of these costs, $9,969,434 and $8,034,059, respectively, was allocated to direct communication expense.

NOTE 13 - COMMITMENTS

AIUSA is obligated under several operating leases for rentals of office space and equipment that expire at various dates through 2036. The minimum annual rental payments due under noncancellable operating leases are as follows:

December 31,	
2020	$ 972,439
2021	1,497,107
2022	1,545,737
2023	899,071
2024	769,104
Thereafter	9,503,928
	$ 15,187,386

Total rental expense for all operating leases totaled $2,177,933 and $2,199,983 for the years ended December 31, 2019 and 2018, respectively.

NOTE 14 - LITIGATION

AIUSA is a party to certain routine legal actions and complaints arising in the ordinary course of its business. In the opinion of management, all such matters are adequately covered by insurance, or, if not so covered, are without merit or are of such kind, or involve such amounts, that unfavorable disposition would not have a material effect on the financial statements of AIUSA.

NOTE 15 - LIQUIDITY AND AVAILABLE RESOURCES

AIUSA receives significant contributions from donors with only a relatively small portion restricted as to their use within programs. Contributions are heavily weighted in the last month of the year in which AIUSA receives approximately one-third of its annual donations. Contributions receivable on the statement of financial position are very short-term in nature and substantially all are collected in full in the week immediately following year-end. Longer-term contributions receivable (which totaled $172,500 in 2019 and $136,291 in 2018) are expected to be received within one year. Cash flow and liquidity is managed with this seasonality in mind and the traditional low-point in liquidity and available resources takes place in mid-November each year. AIUSA manages its working capital and cash on hand to meet these seasonal fluctuations and provide for its obligations as they become due.

Additional resources, not needed in daily operations, are invested in a reserve investment account of highly liquid marketable securities which can be monetized in a matter of days. The reserve account is also designed to offset various risk factors (such as financial, reputational, technological, etc.) and serve as a buffer for unexpected events. This reserve account has historically been maintained at a level that approximates three months of operating costs for the past five years and has not been drawn-upon during this period.

As of December 31, 2019, the following financial assets are available to meet general expenditures:

	2019
Cash and cash equivalents	$ 6,377,905
Investments – reserve funds	11,319,096
Contributions receivable, due within one year, for general operating support	2,435,113
Anticipated 4% payout on endowments for use during the next 12 months	161,000
Financial assets available to meet cash needs for general expenditures within one year	$ 20,293,114

In addition to financial assets available to meet general expenditures over the next 12 months, AIUSA operates with a closely monitored monthly budget and anticipates collecting sufficient revenue to cover general expenditures not covered by resources currently available. Refer to the statement of cash flows which identifies the sources and uses of AIUSA's cash for the period.

NOTE 16 - SUBSEQUENT EVENTS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on our donors, employees and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact our financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

The Department of Treasury has implemented the Small Business Administration's ("SBA") Payroll Protection Program which provides potentially forgivable loans for nonprofits with 500 or fewer employees. SBA will forgive loans if employees are kept on the payroll for eight weeks after the loan originates and the money is used for payroll, rent, mortgage interest, or utilities. On April 5, 2020, AIUSA applied under this Payroll Protection Program and was granted approval. AIUSA received loan proceeds totaling $2,375,000 on April 13, 2020.

AIUSA's management has performed subsequent events review procedures through June 15, 2020, which is the date the financial statements were available to be issued and there were no subsequent events, other than what is disclosed in the preceding paragraphs, requiring adjustment to the financial statements or disclosures as stated herein.