

**INTERNATIONAL SENIOR
LAWYERS' CORPORATION
AND AFFILIATE**

**Consolidated Financial Statements
and
Supplementary Information
for the year ended
December 31, 2019**

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-14
Supplementary Information	
Independent Auditor's Report on Supplementary Information	15
Consolidating Schedule of Financial Position	16
Consolidating Schedule of Activities	17

Independent Auditor's Report

To the Board of Directors of
International Senior Lawyers' Corporation and Affiliate

We have audited the accompanying consolidated financial statements of International Senior Lawyers' Corporation and Affiliate (collectively, the "Corporation") which comprise the consolidated statements of financial position as of December 31, 2019 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to in the first paragraph on the previous page present fairly, in all material respects, the consolidated financial position of International Senior Lawyers' Corporation and Affiliate as of December 31, 2019 and the results of their activities and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Corporation's 2018 consolidated financial statements, and our report dated October 16, 2019 expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Carver DeLeon McGuire & Donnelly LLP

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Consolidated Statements of Financial Position

	December 31	
	2019	2018
Assets		
Cash and cash equivalents	\$ 564,307	\$ 554,926
Investments, at fair value	335,589	399,748
Contributions receivable	533,315	397,786
Accounts receivable	-	21,500
Prepaid expenses and other	58,895	78,180
Leasehold improvements, furniture and equipment, net	<u>30,958</u>	<u>39,676</u>
Total assets	<u>\$1,523,064</u>	<u>\$1,491,816</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 46,966</u>	<u>\$ 86,292</u>
Net assets		
Without donor restrictions		
Operations	236,834	422,835
Emergency Reserve	130,000	130,000
Cash Flow Reserve	<u>130,000</u>	<u>130,000</u>
Total without donor restrictions	496,834	682,835
With donor restrictions	<u>979,264</u>	<u>722,689</u>
Total net assets	<u>1,476,098</u>	<u>1,405,524</u>
Total liabilities and net assets	<u>\$1,523,064</u>	<u>\$1,491,816</u>

See notes to consolidated financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

**Consolidated Statements of Activities
For the Year Ended December 31, 2019**

(with Summarized Comparative Totals for Year Ended December 31, 2018)

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Grants and contributions				
Foundations and corporations	\$ 502,760	\$ 415,523	\$ 918,283	\$ 327,053
Individuals and Board members	143,065	-	143,065	116,545
Law firms	203,298	-	203,298	171,898
Government	-	545,043	545,043	893,127
Contributed services and materials	5,997,937	-	5,997,937	5,352,890
Fees for service	25,326	-	25,326	107,669
Investment return	50,419	-	50,419	(19,450)
Other	3,254	-	3,254	58
Net assets released from restrictions	706,012	(706,012)	-	-
Total support and revenue	<u>7,632,071</u>	<u>254,554</u>	<u>7,886,625</u>	<u>6,949,790</u>
Expenses				
Program services	7,294,391	-	7,294,391	6,659,525
Administrative and general	321,091	-	321,091	174,845
Fund-raising	209,638	-	209,638	278,511
Total expenses	<u>7,825,120</u>	<u>-</u>	<u>7,825,120</u>	<u>7,112,881</u>
Excess (deficiency) of support and revenue over expenses before foreign currency translation gain (loss)	(193,049)	254,554	61,505	(163,091)
Foreign currency translation gain (loss)	<u>7,048</u>	<u>2,021</u>	<u>9,069</u>	<u>(14,478)</u>
Increase (decrease) in net assets	<u>(186,001)</u>	<u>256,575</u>	<u>70,574</u>	<u>(177,569)</u>
Net assets, beginning of year	<u>682,835</u>	<u>722,689</u>	<u>1,405,524</u>	<u>1,583,093</u>
Net assets, end of year	<u>\$ 496,834</u>	<u>\$ 979,264</u>	<u>\$1,476,098</u>	<u>\$1,405,524</u>

See notes to consolidated financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Consolidated Statements of Functional Expenses

**For the Year Ended December 31, 2019
(With Summarized Comparative Information for the Year Ended December 31, 2018)**

	2019			2018
	Program Services	Administrative and General	Fund- Raising	Total
Salaries and payroll taxes	\$ 478,200	\$ 214,203	\$ 149,358	\$ 841,761
Other professional fees	312,406	54,372	7,009	373,787
Program expenses	305,909	-	-	305,909
Transportation and travel	38,399	9,984	2,855	51,238
Occupancy	79,720	29,800	24,395	133,915
Insurance	16,716	3,512	4,171	24,399
Other	80,719	634	14,821	96,174
Sub-total	1,312,069	312,505	202,609	1,827,183
Contributed services and materials				
Donated legal services	5,959,353	-	-	5,959,353
Occupancy	22,969	8,586	7,029	38,584
Sub-total	5,982,322	8,586	7,029	5,997,937
Total expenses	\$ 7,294,391	\$ 321,091	\$ 209,638	\$ 7,825,120
				\$ 7,112,881

See notes to consolidated financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Consolidated Statements of Cash Flows

	For the Year Ended	
	December 31	
	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 70,574	\$ (177,569)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	9,520	5,039
Net realized and unrealized (gain) loss on investments	(38,569)	35,034
(Increase) decrease in contributions receivable	(135,529)	84,992
Decrease in accounts receivable	21,500	327,832
(Increase) in prepaid expenses and other	19,285	(4,575)
(Decrease) in accounts payable and accrued expenses	(39,326)	(41,962)
(Decrease) in unearned revenue	-	(70,000)
Net cash provided by (used in) operating activities	<u>(92,545)</u>	<u>158,791</u>
Cash flows from investing activities		
Proceeds from sale of investments	120,000	-
Purchases of investments	(17,272)	(14,900)
Purchases of furniture and equipment	(802)	(16,194)
Net cash provided by (used in) investing activities	<u>101,926</u>	<u>(31,094)</u>
Net increase in cash and cash equivalents	9,381	127,697
Cash and cash equivalents, beginning of year	<u>554,926</u>	<u>427,229</u>
Cash and cash equivalents, end of year	<u>\$ 564,307</u>	<u>\$ 554,926</u>

See notes to consolidated financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Notes to Consolidated Financial Statements December 31, 2019

Note 1 – Nature of organizations

The International Senior Lawyers' Corporation ("ISLP") was incorporated on March 16, 2000 in the District of Columbia to foster just and accountable development that is sustainable, supportive of human rights, and strengthens the rule of law by mobilizing our unique network of highly skilled and experienced pro bono lawyers to advise civil society and governments.

ISLP programs are focused in the following areas: Investment and Trade, Natural Resource Management, Community-Inclusive Development, Anti-Bribery and Anti-Corruption, Tax, and Defending Press Freedom.

In 2011, ISLP entered into an affiliation agreement with the International Lawyers Project ("ILP"), a charity organized under the laws of the United Kingdom, with its principal office in London. Under the terms of the affiliation agreement, the parties agreed that ILP would be renamed the International Senior Lawyers Project-UK ("ISLP-UK"), and operate as a controlled affiliate of ISLP.

Note 2 – Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include the accounts of ISLP and ISLP-U.K. (collectively, the "Corporation"). All material intercompany accounts and transactions have been eliminated in consolidation.

Net assets without restrictions

Operations – used to account for the general activity of the Corporation.

Emergency Reserve – cash held in reserve for cash emergencies, including unexpected large fundraising shortfalls or unanticipated major expenditure needs.

Cash Flow Reserve – intended to meet short-term cash flow shortfalls. These funds may be withdrawn to cover agency expenses after the request is approved by the Executive Committee of the Board. It is expected that once the cash flow problem has been corrected the monies will be re-deposited in the Cash Flow Reserve.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE**Notes to Consolidated Financial Statements (continued)
December 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Net assets with donor restrictions

The Corporation reports contributions as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions with donor restrictions are reported as increases in net assets without restrictions if the restrictions are satisfied within the year the contributions are received.

Cash equivalents

The Corporation considers highly liquid assets with original maturities of ninety days or less to be cash equivalents. Cash equivalents include money market funds.

Investments

The Corporation reports investments at fair value. Interest, dividends, realized and unrealized gain (loss) on investments are included in investment return in the consolidated statements of activities. The realized gain (loss) on sale of investments is computed on the specific identification basis.

Fair value measurements

Accounting principles generally accepted in the United States of America established a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels. The Corporation's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Allowance for doubtful accounts

As of December 31, 2019, management has determined that there are no potentially uncollectible receivables and thus an allowance for doubtful accounts is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Leasehold improvements, furniture and equipment

Leasehold improvements, furniture and equipment above a nominal amount and with a useful life greater than one year are capitalized and recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets ranging from three to six years. Leasehold improvements are amortized over the life of the lease.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE**Notes to Consolidated Financial Statements (continued)
December 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

The Corporation's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Corporation places its cash and cash equivalents with what it believes to be quality financial institutions. The Corporation routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. Certain cash and investments in the United States of America are distributed among several financial institutions in order to maximize amounts protected by FDIC/SIPC insurance. Investments are exposed to various risks, such as interest rate, market volatility, liquidity and credit. It is possible that changes in these risks could materially affect the fair value of the investments reported in the consolidated statements of financial position as of December 31, 2019. The Corporation also monitors the collection of its receivables and deems the amounts fully collectible. Accordingly, the Corporation believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, investments and receivables.

Contributed services and materials

The Corporation receives contributed services and materials in support of its activities. The vast majority of the contributed services are the pro bono services provided by experienced lawyers and law firms in furtherance of the Corporation's mission. During 2019, other volunteers provided in-kind project management and project development services, as well as donated office space and related support, such as telephones, computers and conference room use.

Contributed services and materials are estimated at their fair value and reported as both support and expenses in the period in which they are provided. All such contributions appear as contributed services and materials in the revenue section of the consolidated statements of activities. Donated legal services and occupancy costs are included as program expenses.

Functional expenses

The cost of providing the various programs and other activities has been summarized in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional area are allocated based on time and effort reporting.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE
Notes to Consolidated Financial Statements (continued)
December 31, 2019

Note 2 – Summary of significant accounting policies (continued)

Comparative consolidated financial information

The consolidated financial statements include certain summarized comparative consolidated financial information for the prior year in total but not by net asset class or functional classification. 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 the Corporation's consolidated financial statements for the year ended December 31, 2018, from which the summarized comparative information was derived.

Subsequent events

The Corporation has evaluated events and transactions for potential recognition or disclosure through October 28, 2020, which is the date the financial statements were available to be issued. On March 13, 2020, President Trump declared a national emergency due to extraordinary circumstances resulting from coronavirus. The coronavirus continues to evolve and the effects on the Corporation's operations are not readily determinable. In March 2020, the ISLP New York-based team started working remotely full time in light of public health advisories. The team continues to work remotely and meets as a group by video at least twice a week. Although we have maintained productivity - and, in some aspects, increased productivity - the impact of the pandemic and related travel restrictions has resulted in certain other important adaptations:

- Where practicable, ISLP has converted in-person activities that were planned to take place outside the United States (e.g., workshops and meetings) to virtual platforms.
- A few funders have reduced the work scope of certain project grants (restricted funding) to exclude travel. Where possible, ISLP has been negotiating new project scopes and budgets to enable ISLP to continue to serve our clients' needs and the grant objectives while also covering our staff and overhead costs.

During 2020, ISLP also applied for and received a loan under the Paycheck Protection Program ("PPP") which is a business loan program established by the Coronavirus Aid, Relief, and Economic Security Act. The total amount received under this program was approximately \$120,000. Subject to the terms of the PPP loan, ISLP is eligible for forgiveness in an amount equal to the loan proceeds provided that the money is spent on qualifying expenditures as outlined in the agreement.

During 2020, ISLP and ISLP-UK decided to best serve their client partners by reverting to their original configuration of two independent entities – in the US and UK, managed by their respective boards. The two organizations agreed formally to separate and terminate their affiliation as of July 1, 2020. ISLP-UK, based in London, returned to its founding name International Lawyers Project. ISLP continues as a non-profit organization with operations based in New York.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

**Notes to Consolidated Financial Statements (continued)
December 31, 2019**

Note 3 – Liquidity and availability of financial assets

The following is a summary of the Corporation's financial assets as of December 31, 2019 and December 31, 2018 that are available for general use within one year of the consolidated statements of financial position date:

	<u>2019</u>	<u>2018</u>
Cash	\$ 564,307	\$ 554,926
Investments, at fair value	335,589	399,748
Contributions receivable	533,315	397,786
Accounts receivable	-	<u>21,500</u>
Sub-total	<u>1,433,211</u>	<u>1,373,960</u>
Less: Net assets with Board-designations	<u>(260,000)</u>	<u>(260,000)</u>
Total	<u>\$ 1,173,211</u>	<u>\$ 1,113,960</u>

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Corporation's Board-designated fund has been established as a reserve for emergencies and cash flow. The Corporation does not intend to spend these funds; however, the funds can be released from designation by the Board if deemed necessary.

Note 4 – Investments

The following is a summary of the investments as of December 31, 2019 and December 31, 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Common stocks	\$ 17,284	\$ 21,777	\$ 11,043	\$ 11,067
Mutual funds - blended	<u>297,199</u>	<u>313,812</u>	<u>404,986</u>	<u>388,681</u>
Total	<u>\$ 314,483</u>	<u>\$ 335,589</u>	<u>\$ 416,029</u>	<u>\$ 399,748</u>

The investment return for the years ended December 31, 2019 and December 31, 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 11,281	\$ 15,065
Realized gain on sale of investments	1,182	-
Change in unrealized gain (loss) on investments	<u>37,387</u>	<u>(35,034)</u>
Sub-total	<u>49,850</u>	<u>(19,969)</u>
Interest – Affiliate	<u>569</u>	<u>519</u>
Total investment return	<u>\$ 50,419</u>	<u>\$ (19,450)</u>

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued)

December 31, 2019

Note 5 – Leasehold improvement, furniture and equipment, net

The following is a summary of leasehold improvements, furniture and equipment as of December 31, 2019 and December 31, 2018.

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 5,499	\$ 5,499
Furniture and equipment	<u>44,824</u>	<u>44,022</u>
Sub-total	50,323	49,521
Less: accumulated depreciation and amortization	<u>19,365</u>	<u>9,845</u>
Total	<u>\$ 30,958</u>	<u>\$ 39,676</u>

Note 6 – Net assets with donor restrictions

Net assets released from donor restrictions are supported by expenses that satisfied the restricted purpose or time restrictions specified by donors. These assets were used for the programs of the Corporation as described in note 1 to the consolidated financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued)

December 31, 2019

Note 6 –Net assets with donor restrictions (continued)

The following is a summary of the activity of the net assets with donor restrictions as of December 31, 2019 and December 31, 2018:

	Assets with Donor			Balance at December 31, 2019
	Balance at December 31, 2018	Restrictions Added/ Other	Net Assets Released from Restrictions	
ISLP-U.K.:				
Joffe Project	\$ 52,273	\$ 19,132	\$ (52,560)	\$ 18,845
Kazakhstan	-	2,005	(2,005)	-
Liberia	-	29,152	(10,260)	18,892
NEPAD	-	5,048	(5,048)	-
Tanzanian Law School	11,474	-	-	11,474
TI/Role UI (Sri Lanka)	-	9,319	(9,319)	-
Sub total	63,747	64,656	(79,192)	49,211
Currency Conversion adjustment	(1,310)	2,021	-	711
ISLP-U.S.:				
Commercial Law Training, Southern Africa	9,754	-	-	9,754
Myanmar Rule of Law	107,115	-	(107,115)	-
Gambia Truth & Reconciliation	18,223	-	(18,223)	-
Zimbabwe Tripartite Legal	155,681	200,000	(182,583)	173,098
Afghanistan Renewable Energy	143,915	184,930	(146,230)	182,615
Community Inclusive Dev. in Papua New Guinea	67,893	-	(17,835)	50,058
Legal Intern Support	6,214	-	(6,214)	-
NED China	-	85,000	(19,532)	65,468
Mali Mining Reform (EU Delegation)	-	5,980	(5,281)	699
Latin American CID (Moore Fdn)	-	150,000	(42,119)	107,881
Capacity Building (Hewlett)	-	20,000	(4,457)	15,543
Malawi Mentorship (Dignitas)	-	50,000	-	50,000
Community Inclusive Development in the Andes	45,810	-	(45,810)	-
Essaye-Kapp Legal Fellowship	52,724	-	(30,670)	22,054
Winfield Media Law Projects	52,923	-	(751)	52,172
Operating Support	-	200,000	-	200,000
Total	\$ 722,689	\$ 962,587	\$ (706,012)	\$ 979,264

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued)
December 31, 2019**Note 6 – Net assets with donor restrictions (continued)**

	Assets with Donor			
	Balance at December 31, <u>2017</u>	Restrictions Added/ <u>Other</u>	Net Assets Released from <u>Restrictions</u>	Balance at December 31, <u>2018</u>
ISLP-U.K.:				
Euralias	\$ -	\$ 12,517	\$ (12,517)	\$ -
Joffe Project	40,779	46,017	(34,523)	52,273
Kazakhstan	-	1,421	(1,421)	-
Magistrates School	-	6,731	(6,731)	-
NEPAD	-	4,749	(4,749)	-
Prisoner Transfer	-	21,636	(21,636)	-
Tanzanian Law School	12,014	-	(540)	11,474
Interest	<u>83</u>	<u>-</u>	<u>(83)</u>	<u>-</u>
Sub total	52,876	93,071	(82,200)	63,747
Currency Conversion adjustment	1,062	(2,372)	-	(1,310)
ISLP-U.S.:				
Commercial Law Training, Southern Africa	18,751	-	(8,997)	9,754
Myanmar Rule of Law	24,025	148,148	(65,058)	107,115
Gambia Truth & Reconciliation	-	37,969	(19,746)	18,223
Zimbabwe Tripartite Legal	-	300,000	(144,319)	155,681
Afghanistan Renewable Energy	-	143,915	-	143,915
Community Inclusive Dev. in Papua New Guinea	-	100,000	(32,107)	67,893
Legal Intern Support	-	20,000	(13,786)	6,214
Sub-Saharan Africa Project	10,294	-	(10,294)	-
Gambia Ministry of Justice Capacity Building	23,023	-	(23,023)	-
Data Security Project	17,000	-	(17,000)	-
Community Inclusive Development in the Andes	47,117	59,520	(60,827)	45,810
Essaye-Kapp Legal Fellowship	89,709	6,000	(42,985)	52,724
Winfield Media Law Projects	28,583	30,000	(5,660)	52,923
Operating Support	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Total	<u>\$ 512,440</u>	<u>\$ 936,251</u>	<u>\$ (726,002)</u>	<u>\$ 722,689</u>

Note 7 – Retirement plan

The Corporation maintains a retirement savings plan under Section 403(b) of the Internal Revenue Code (the "Code") covering all qualified employees. Participants may elect to defer up to 100% of their annual compensation, subject to an annual limitation provided by the Code. The Corporation also contributes to the plan in accordance with the plan document, limited to a maximum amount allowed by the Code. During 2019 and 2018, expenses incurred in connection with this plan totaled \$14,431 and \$18,379, respectively.

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued)

December 31, 2019

Note 8 – CommitmentsOffice space

During February 2017, ISLP-U.S. entered into an agreement to lease office space commencing March 1, 2017. The lease agreement, which expires on December 31, 2021, requires a base rent of \$7,801 per month with incremental increase each subsequent year. In lieu of a security deposit, the Corporation has obtained a letter credit for approximately \$42,000 in favor of the landlord.

Rent expense for 2019 and 2018 totaled \$121,370 and \$108,325, respectively.

The following are the required future minimum annual rental payments under the lease:

<u>Year</u>	<u>Amount</u>
2020	\$ 101,802
2021	<u>104,856</u>
Total	<u>\$ 206,658</u>

Note 9 – Foreign currency translation

Foreign currency transactions have been recorded as follows:

Date of consolidated statements of activities: the transaction is measured and recorded in the functional currency of the recording entity by use of the average exchange rate in effect for the year.

Date of consolidated statements of financial position: the recorded balances that are denominated in a currency other than the functional currency of the recording entity are adjusted to reflect the current exchange rate.

The functional currency of the Corporation is the U.S. dollar.

Note 10 – Tax status

ISLP-U.S. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, ISLP-U.S. has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation within the meaning of Sections 509(a) and 170(b)(1)(A)(vi) of the Code. Accordingly, donors receive the maximum tax deduction available.

ISLP-U.K. is governed by the laws of the United Kingdom.

Independent Auditor's Report on Supplementary Information

To the Board of Directors of
International Senior Lawyers' Corporation and Affiliate

Our audit for the year ended December 31, 2019 was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 16 and 17 provides additional analysis, which is not a required part of the consolidated financial statements. Such information is the responsibility of management of the Corporation and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Condon O'Meara McGinty & Donnelly LLP

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

Consolidating Schedule of Financial Position
December 31, 2019

Assets

	<u>U.S.</u>	<u>U.K.</u>	<u>Consolidated</u>
Assets			
Cash and cash equivalents	\$ 325,094	\$ 239,213	\$ 564,307
Investments, at fair value	335,589	-	335,589
Contributions receivable	526,725	6,590	533,315
Prepaid expenses and other	58,104	791	58,895
Leasehold improvements, furniture and equipment, net	<u>28,175</u>	<u>2,783</u>	<u>30,958</u>
Total assets	<u>\$1,273,687</u>	<u>\$ 249,377</u>	<u>\$1,523,064</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	<u>\$ 37,993</u>	<u>\$ 8,973</u>	<u>\$ 46,966</u>
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Net assets

Without donor restrictions			
Operations	46,352	190,482	236,834
Emergency Reserve	130,000	-	130,000
Cash Flow Reserve	<u>130,000</u>	<u>-</u>	<u>130,000</u>
Total without restrictions	306,352	190,482	496,834
With donor restrictions	<u>929,342</u>	<u>49,922</u>	<u>979,264</u>
Total net assets	<u>1,235,694</u>	<u>240,404</u>	<u>1,476,098</u>
Total liabilities and net assets	<u>\$1,273,687</u>	<u>\$ 249,377</u>	<u>\$1,523,064</u>

INTERNATIONAL SENIOR LAWYERS' CORPORATION AND AFFILIATE

**Consolidating Schedule of Activities
For the Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>		<u>Total All Funds</u>		<u>Total</u>	<u>Eliminating</u>	<u>Total</u>
	<u>U.S.</u>	<u>U.K.</u>	<u>U.S.</u>	<u>U.K.</u>	<u>U.S.</u>	<u>U.K.</u>			
Support and revenue									
Grants and contributions									
Foundations and corporations	\$ 454,000	\$ 118,268	\$ 370,000	\$ 45,523	\$ 415,523	\$ 824,000	\$ 987,791	\$ (69,508)	\$ 918,283
Individuals and Board members	136,598	6,467	-	-	-	136,598	6,467	-	143,065
Law firms	158,750	44,548	-	-	-	158,750	44,548	-	203,298
Government	-	-	525,910	19,133	545,043	525,910	545,043	-	545,043
Contributed services and materials	5,959,353	38,584	-	-	-	5,959,353	38,584	-	5,997,937
Fees for service	25,326	-	-	-	-	25,326	-	-	25,326
Investment return	49,850	569	-	-	-	49,850	569	-	50,419
Other	3,254	-	-	-	-	3,254	-	-	3,254
Net assets released from restrictions	626,820	79,192	(626,820)	(79,192)	(706,012)	-	-	-	-
Total support and revenue	<u>7,413,951</u>	<u>287,628</u>	<u>7,701,579</u>	<u>(14,536)</u>	<u>254,554</u>	<u>7,683,041</u>	<u>273,092</u>	<u>(69,508)</u>	<u>7,886,625</u>
Expenses									
Program services	7,249,022	61,874	-	-	-	7,249,022	61,874	(16,505)	7,294,391
Administrative and general	209,179	152,625	-	-	-	209,179	152,625	(40,713)	321,091
Fund-raising	175,855	46,073	-	-	-	175,855	46,073	(12,290)	209,638
Total expenses	<u>7,634,056</u>	<u>260,572</u>	<u>7,894,628</u>	<u>-</u>	<u>-</u>	<u>7,634,056</u>	<u>260,572</u>	<u>(69,508)</u>	<u>7,825,120</u>
Excess (deficiency) of support and revenue over expenses before foreign currency translation gain	(220,105)	27,056	(193,049)	(14,536)	254,554	48,985	12,520	-	61,505
Foreign currency translation gain	-	7,048	-	2,021	2,021	-	9,069	-	9,069
Increase (decrease) in net assets	<u>(220,105)</u>	<u>34,104</u>	<u>(186,001)</u>	<u>(12,515)</u>	<u>256,575</u>	<u>48,985</u>	<u>21,589</u>	<u>-</u>	<u>70,574</u>
Net assets, beginning of year	<u>526,457</u>	<u>156,378</u>	<u>682,835</u>	<u>62,437</u>	<u>722,689</u>	<u>1,186,709</u>	<u>218,815</u>	<u>-</u>	<u>1,405,524</u>
Net assets, end of year	<u>\$ 306,352</u>	<u>\$ 190,482</u>	<u>\$ 496,834</u>	<u>\$ 49,922</u>	<u>\$ 979,264</u>	<u>\$ 1,235,694</u>	<u>\$ 240,404</u>	<u>\$ -</u>	<u>\$ 1,476,098</u>