

**INTERNATIONAL SENIOR
LAWYERS' CORPORATION**

**Financial Statements
for the years ended
December 31, 2023
and
December 31, 2022**

Independent Auditor's Report

To the Board of Directors of
International Senior Lawyers' Corporation

Opinion

We have audited the accompanying financial statements of International Senior Lawyers' Corporation ("ISLP") which comprise the statement of financial position as of December 31, 2023 and December 31, 2022 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ISLP as of December 31, 2023 and December 31, 2022 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ISLP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ISLP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ISLP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ISLP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Carrie O'Leary, Inc. City & Donnelly LLP

INTERNATIONAL SENIOR LAWYERS' CORPORATION

Statement of Financial Position

Assets

	December 31	
	2023	2022
Cash and cash equivalents	\$ 805,547	\$ 762,653
Investments, at fair value	342,022	313,228
Contributions receivable	114,669	15,992
Prepaid expenses and other	17,744	28,688
Leasehold improvements, furniture and equipment, net	6,093	11,847
Right-of-use asset – operating lease	165,888	303,359
Total assets	\$1,451,963	\$1,435,767

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 38,570	\$ 27,459
Operating lease obligation, net	165,888	303,359
Total liabilities	204,458	330,818

Net assets

Without donor restrictions		
Operations	677,635	679,496
Emergency Reserve	130,000	130,000
Cash Flow Reserve	130,000	130,000
Total without donor restrictions	937,635	939,496
With donor restrictions	309,870	165,453
Total net assets	1,247,505	1,104,949
Total liabilities and net assets	\$1,451,963	\$1,435,767

See notes to financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION

Statement of Activities
Year Ended December 31, 2023
(with summarized comparative information for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Grants and contributions				
Foundations and corporations	\$ 604,435	\$ 169,907	\$ 774,342	\$ 565,822
Individuals and Board members	344,810	-	344,810	150,142
Law firms	380,960	-	380,960	177,500
Government	82,255	-	82,255	13,437
Employee Retention Credits	37,626	-	37,626	-
Fees for Service	17,000	-	17,000	-
Contributed non-financial assets	13,625,211	-	13,625,211	7,727,346
Investment return	28,865	-	28,865	(45,853)
Other	-	-	-	400
Net assets released from restrictions	25,490	(25,490)	-	-
Total support and revenue	<u>15,146,652</u>	<u>144,417</u>	<u>15,291,069</u>	<u>8,588,794</u>
Expenses				
Program services	14,539,661	-	14,539,661	8,669,265
Administrative and general	396,816	-	396,816	311,009
Fund-raising	212,036	-	212,036	208,682
Total expenses	<u>15,148,513</u>	<u>-</u>	<u>15,148,513</u>	<u>9,188,956</u>
Increase (decrease) in net assets	(1,861)	144,417	142,556	(600,162)
Net assets, beginning of year	<u>939,496</u>	<u>165,453</u>	<u>1,104,949</u>	<u>1,705,111</u>
Net assets, end of year	<u>\$ 937,635</u>	<u>\$ 309,870</u>	<u>\$ 1,247,505</u>	<u>\$ 1,104,949</u>

See notes to financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION

**Statement of Activities
Year Ended December 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Grants and contributions			
Foundations and corporations	\$ 391,156	\$ 174,666	\$ 565,822
Individuals and Board members	150,142	-	150,142
Law firms	177,500	-	177,500
Government	13,437	-	13,437
Contributed non-financial assets	7,727,346	-	7,727,346
Investment return	(45,853)	-	(45,853)
Other	400	-	400
Net assets released from restrictions	<u>556,381</u>	<u>(556,381)</u>	<u>-</u>
Total support and revenue	<u>8,970,509</u>	<u>(381,715)</u>	<u>8,588,794</u>
Expenses			
Program services	8,669,265	-	8,669,265
Administrative and general	311,009	-	311,009
Fund-raising	<u>208,682</u>	<u>-</u>	<u>208,682</u>
Total expenses	<u>9,188,956</u>	<u>-</u>	<u>9,188,956</u>
(Decrease) in net assets	(218,447)	(381,715)	(600,162)
Net assets, beginning of year	<u>1,157,943</u>	<u>547,168</u>	<u>1,705,111</u>
Net assets, end of year	<u>\$ 939,496</u>	<u>\$ 165,453</u>	<u>\$1,104,949</u>

See notes to financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION

**Statement of Functional Expense
Year Ended December 31, 2023
(with summarized comparative information for 2022)**

	2023			2022
	Program Services	Administrative and General	Fund- Raising	Total
Salaries and payroll taxes	\$ 457,008	\$ 200,381	\$ 127,018	\$ 784,407
Other professional fees	293,011	145,078	64,822	502,911
Program expenses	87,956	-	-	87,956
Transportation and travel	-	16,632	-	16,632
Occupancy	39,128	17,269	10,893	67,290
Insurance	4,162	1,837	1,159	7,158
Other	<u>33,185</u>	<u>15,619</u>	<u>8,144</u>	<u>56,948</u>
Sub-total	914,450	396,816	212,036	1,523,302
Donated legal services	<u>13,625,211</u>	<u>-</u>	<u>-</u>	<u>13,625,211</u>
Total	<u>\$14,539,661</u>	<u>\$ 396,816</u>	<u>\$ 212,036</u>	<u>\$ 15,148,513</u>
				<u>\$ 9,188,956</u>

See notes to financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION

Statement of Functional Expenses

Year Ended December 31, 2022

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Fund- Raising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 473,375	\$ 149,605	\$ 133,210	\$ 756,190
Other professional fees	281,636	108,112	48,578	438,326
Program expenses	77,905	-	-	77,905
Transportation and travel	-	23,672	-	23,672
Occupancy	51,685	16,334	14,544	82,563
Insurance	3,432	1,085	966	5,483
Other	53,886	12,201	11,384	77,471
Sub-total	941,919	311,009	208,682	1,461,610
Donated legal services	<u>7,727,346</u>	<u>-</u>	<u>-</u>	<u>7,727,346</u>
Total	<u>\$ 8,669,265</u>	<u>\$ 311,009</u>	<u>\$ 208,682</u>	<u>\$ 9,188,956</u>

See notes to financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION

Statement of Cash Flows

	Year Ended	
	December 31	
	2023	2022
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 142,556	\$ (600,162)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	5,754	4,898
Net realized and unrealized (gain) loss on investments	(12,369)	60,230
(Increase) decrease in contributions receivable	(98,677)	27,457
Decrease in prepaid expenses and other	10,944	29,858
Increase (decrease) in accounts payable and accrued expenses	11,111	(23,671)
Net cash provided by (used in) operating activities	59,319	(501,390)
Cash flows (used in) investing activities		
Purchases of investments	(16,425)	(13,603)
Net increase (decrease) in cash and cash equivalents	42,894	(514,993)
Cash and cash equivalents, beginning of year	762,653	1,277,646
Cash and cash equivalents, end of year	\$ 805,547	\$ 762,653

See notes to financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION

Notes to Financial Statements December 31, 2023 and December 31, 2022

Note 1 – Nature of organization

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.

Note 2 – Summary of significant accounting policies

Net assets without restrictions

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

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.

Net assets with donor restrictions

ISLP 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 statement 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

ISLP considers highly liquid assets with original maturities of 90 days or less to be cash equivalents. Cash equivalents include money market funds.

Investments

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

INTERNATIONAL SENIOR LAWYERS' CORPORATION**Notes to Financial Statements (continued)
December 31, 2023 and December 31, 2022****Note 2 – Summary of significant accounting policies (continued)**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. ISLP'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, 2023 and December 31, 2022, 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.

Use of estimates

The preparation of 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 financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

ISLP's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. ISLP places its cash and cash equivalents with what it believes to be quality financial institutions. ISLP 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 statement of financial position as of December 31, 2023. ISLP monitors the collection of its receivables and deems the amounts fully collectible. Accordingly, ISLP believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, investments and receivables.

INTERNATIONAL SENIOR LAWYERS' CORPORATION

Notes to Financial Statements (continued)
December 31, 2023 and December 31, 2022**Note 2 – Summary of significant accounting policies (continued)**Contributed non-financial assets

Contributed goods are recognized at their fair values on the dates of donation at what it would have cost the ISLP if purchased independently. Contributions of services are recorded as both revenue and expense in the year in which they are received, provided that the services: (i) create or enhance non-financial assets; or (ii) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated. (See Note 10).

Functional expenses

The cost of providing the various programs and other activities has been summarized in the statement 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.

Leases

During 2022, ISLP adopted the provisions of FASB ASC Topic 842 (“Topic 842”). Topic 842 requires that a lease liability and related right-of-use assets (“ROU assets”) representing the lessee’s right to use of control the asset be recorded on the statement of financial position upon the commencement of all leases, except for those with a lease term of twelve months or less. Leases are classified as either finance or operating leases. ISLP has elected to use risk-free rates to discount its lease obligations to its net present value.

Subsequent events

ISLP has evaluated events and transactions for potential recognition or disclosure through June 26, 2024, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

The following is a summary of ISLP’s financial assets as of December 31, 2023 and December 31, 2022 that are available for general use within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 805,547	\$ 762,653
Investments, at fair value	342,022	313,228
Contributions receivable	<u>114,669</u>	<u>15,992</u>
Sub-total	1,262,238	1,091,873
Less: Net assets with Board-designations	<u>(260,000)</u>	<u>(260,000)</u>
Total	<u>\$ 1,002,238</u>	<u>\$ 831,873</u>

INTERNATIONAL SENIOR LAWYERS' CORPORATION

**Notes to Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 3 – Liquidity and availability of financial assets (continued)

As part of ISLP'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. ISLP's Board-designated funds have been established as a reserve for emergencies and cash flow. ISLP does not intend to spend these funds; however, the funds can be released from designation by the Board if deemed necessary.

Note 4 – Investments, at fair value

The following is a summary of the investments as of December 31, 2023 and December 31, 2022:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 328	\$ 328	\$ 311	\$ 311
Mutual funds - blended	<u>363,489</u>	<u>341,694</u>	<u>347,081</u>	<u>312,917</u>
Total	<u>\$ 363,817</u>	<u>\$ 342,022</u>	<u>\$ 347,392</u>	<u>\$ 313,228</u>

The investment return for the years ended December 31, 2023 and December 31, 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 16,496	\$ 14,377
Change in unrealized gain(loss) on investments	<u>12,369</u>	<u>(60,230)</u>
Total	<u>\$ 28,865</u>	<u>\$ (45,853)</u>

Note 5 – Leasehold improvement, furniture and equipment, net

The following is a summary of leasehold improvements, furniture and equipment as of December 31, 2023 and December 31, 2022:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 5,449	\$ 5,449
Furniture and equipment	<u>39,168</u>	<u>39,168</u>
Sub-total	44,617	44,617
Less: accumulated depreciation and amortization	<u>38,524</u>	<u>32,770</u>
Total	<u>\$ 6,093</u>	<u>\$ 11,847</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 ISLP as described in note 1 to the financial statements.

INTERNATIONAL SENIOR LAWYERS' CORPORATION

Notes to Financial Statements (continued)
December 31, 2023 and December 31, 2022**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, 2023 and December 31, 2022:

	2023			
	Balance at December 31, <u>2022</u>	<u>Additions</u>	Net Assets Released from <u>Restrictions</u>	Balance at December 31, <u>2023</u>
The William and Flora Hewlett Foundation (OE Tech & OE Executive)	\$ 44,519	\$ -	\$ -	\$ 44,519
Connex – Umbrella	95,916	169,907	(25,490)	240,333
Winfield Media Law Projects	<u>25,018</u>	<u>-</u>	<u>-</u>	<u>25,018</u>
Total	<u>\$ 165,453</u>	<u>\$ 169,907</u>	<u>\$ (25,490)</u>	<u>\$ 309,870</u>
	2022			
	Balance at December 31, <u>2021</u>	<u>Additions</u>	Net Assets Released from <u>Restrictions</u>	Balance at December 31, <u>2022</u>
GIZ Connex-Afghanistan	\$ 28,145	\$ -	\$ (28,145)	\$ -
The Fund for Global Human Rights (NAMATI)	-	11,830	(11,830)	-
National Endowment for Democracy (NED) – Global South	4,683	-	(4,683)	-
The Gordon and Betty Moore Foundation	124,308	-	(124,308)	-
The William and Flora Hewlett Foundation (OE Tech & OE Executive)	50,770	-	(6,251)	44,519
Connex – Umbrella	-	132,894	(36,978)	95,916
Kapp-Essaye	10,000	-	(10,000)	-
Winfield Media Law Projects	25,018	-	-	25,018
The William and Flora Hewlett Foundation (Operating)	100,000	-	(100,000)	-
GIZ Connex – Liberia	(4,110)	23,616	(19,506)	-
GIZ Connex – Mongolia II	8,354	6,326	(14,680)	-
Open Society Foundation	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Total	<u>\$ 547,168</u>	<u>\$ 174,666</u>	<u>\$ (556,381)</u>	<u>\$ 165,453</u>

INTERNATIONAL SENIOR LAWYERS' CORPORATION

**Notes to Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 7 – Employee retention credits

In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act and subsequent legislation (the “Acts”) were signed into law to provide, among other things, refundable employee retention credits for qualified employees for wages paid or incurred from March 13, 2020 through September 30, 2021. In connection therewith, such credits for the year ended December 31, 2023 totaled \$37,626 and are recorded as revenue in the 2023 statement of activities.

Note 8 – Operating lease obligation

During March 2022, ISLP entered into an agreement to lease office space commencing March 28, 2022. The lease agreement, which expires on April 1, 2027, required a base rent of \$6,000 per month with 3% increases annually. During 2023, ISLP modified the existing lease agreement to reduce the monthly lease cost by \$1,800. The impact of the change has been reflected in the lease liability calculation.

Rent expense for 2023 and 2022 totaled \$67,290 and \$82,564, respectively.

The required future minimum annual rental payments under the lease at December 31, 2023 are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 53,743
2025	55,355
2026	57,016
2027	<u>14,358</u>
Total	180,472
Less: present value discount	<u>14,584</u>
Operating lease obligation, net	<u>\$ 165,888</u>

Note 9 – Retirement plan

ISLP 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 under the Code. ISLP also contributes to the plan in accordance with the plan document, limited to a maximum amount allowed under the Code. During 2023 and 2022, expenses incurred in connection with this plan totaled \$24,824 and \$22,667, respectively.

Note 10 – Contributed non-financial assets

During the years ended December 31, 2023 and December 31, 2022, ISLP received the following donated goods and services:

	<u>2023</u>	<u>2022</u>
Donated services		
Legal	<u>\$13,625,211</u>	<u>\$ 7,727,346</u>

INTERNATIONAL SENIOR LAWYERS' CORPORATION**Notes to Financial Statements (continued)
December 31, 2023 and December 31, 2022****Note 10 – Contributed non-financial assets (continued)**

ISLP recognizes contributed non-financial assets within support and revenue, including contributed services. Contributed non-financial assets do not have donor-imposed restrictions. Contributed services are composed of legal fees from lawyers and law firms in furtherance of ISLP's mission. Contributed services are valued and reported at the estimated fair value based on current rates for similar legal services.

Note 11 – Tax status

ISLP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, ISLP 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.