

EISNERAMPER

**INTERNATIONAL CENTER FOR
TRANSITIONAL JUSTICE INC.**

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022 and 2021



INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
International Center for Transitional Justice Inc.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the International Center for Transitional Justice Inc. ("ICTJ"), which comprise the consolidated statements of financial position as of March 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Center for Transitional Justice Inc. as of March 31, 2022 and 2021, and the changes in its net assets and its cash flows for each of 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ICTJ 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

ICTJ's 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.

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 ICTJ's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 ICTJ'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 ICTJ'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.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
October 25, 2022



INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Consolidated Statements of Financial Position

	March 31,	
	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 6,412,189	\$ 7,945,408
Grants and contributions receivable, net	5,592,884	5,733,213
Prepaid expenses and other assets	234,151	213,787
Property and equipment, net	<u>194,602</u>	<u>20,999</u>
Total assets	<u>\$ 12,433,826</u>	<u>\$ 13,913,407</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 679,864	\$ 437,654
Bank line of credit payable	400,000	400,000
Deferred rent obligation	<u>82,161</u>	<u>83,156</u>
Total liabilities	<u>1,162,025</u>	<u>920,810</u>
Commitments, contingencies, and other uncertainty (see Note H)		
NET ASSETS		
Without donor restrictions	2,054,465	1,241,771
With donor restrictions	<u>9,217,336</u>	<u>11,750,826</u>
Total net assets	<u>11,271,801</u>	<u>12,992,597</u>
Total liabilities and net assets	<u>\$ 12,433,826</u>	<u>\$ 13,913,407</u>

See notes to consolidated financial statements.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Consolidated Statements of Activities

	Year Ended March 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Grants and contributions	\$ 1,099,586	\$ 7,899,589	\$ 8,999,175	\$ 845,780	\$ 6,973,646	\$ 7,819,426
Other revenue	<u>17,886</u>	<u>-</u>	<u>17,886</u>	<u>30,070</u>	<u>-</u>	<u>30,070</u>
Total public support and revenue before release of restrictions	1,117,472	7,899,589	9,017,061	875,850	6,973,646	7,849,496
Net assets released from restrictions	<u>10,433,079</u>	<u>(10,433,079)</u>	<u>-</u>	<u>7,844,957</u>	<u>(7,844,957)</u>	<u>-</u>
Total public support and revenue	<u>11,550,551</u>	<u>(2,533,490)</u>	<u>9,017,061</u>	<u>8,720,807</u>	<u>(871,311)</u>	<u>7,849,496</u>
Expenses:						
Program services	<u>9,377,200</u>	<u>-</u>	<u>9,377,200</u>	6,837,629	<u>-</u>	6,837,629
Management and general	763,980	-	763,980	672,248	-	672,248
Development	<u>479,344</u>	<u>-</u>	<u>479,344</u>	<u>483,341</u>	<u>-</u>	<u>483,341</u>
Total supporting services	<u>1,243,324</u>	<u>-</u>	<u>1,243,324</u>	1,155,589	<u>-</u>	1,155,589
Total expenses	<u>10,620,524</u>	<u>-</u>	<u>10,620,524</u>	7,993,218	<u>-</u>	7,993,218
Change in net assets before foreign currency translation (losses) gains and refund of grants	930,027	(2,533,490)	(1,603,463)	727,589	(871,311)	(143,722)
Foreign currency translation (losses) gains	(86,819)	-	(86,819)	291,027	-	291,027
Refund of grants	<u>(30,514)</u>	<u>-</u>	<u>(30,514)</u>	<u>(151,469)</u>	<u>-</u>	<u>(151,469)</u>
Change in net assets	812,694	(2,533,490)	(1,720,796)	867,147	(871,311)	(4,164)
Net assets, beginning of year	<u>1,241,771</u>	<u>11,750,826</u>	<u>12,992,597</u>	<u>374,624</u>	<u>12,622,137</u>	<u>12,996,761</u>
Net assets, end of year	<u>\$ 2,054,465</u>	<u>\$ 9,217,336</u>	<u>\$ 11,271,801</u>	<u>\$ 1,241,771</u>	<u>\$ 11,750,826</u>	<u>\$ 12,992,597</u>

See notes to consolidated financial statements.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Consolidated Statements of Functional Expenses

	Year Ended March 31,							
	2022				2021			
	Peace Building Services	Management and General	Development	Total Expenses	Peace Building Services	Management and General	Development	Total Expenses
Salaries, payroll taxes and fringe benefits	\$ 3,316,492	\$ 387,170	\$ 408,245	\$ 4,111,907	\$ 3,406,221	\$ 397,645	\$ 419,290	\$ 4,223,156
Consultants and professional fees	5,094,983	226,695	21,394	5,343,072	2,750,679	122,388	11,550	2,884,617
Publications and public relations	79,916	-	-	79,916	89,325	-	-	89,325
Office expenses	159,739	57,678	17,908	235,325	205,797	74,308	23,072	303,177
Occupancy - all offices	240,846	49,972	26,635	317,453	234,629	48,682	25,948	309,259
Travel and conferences	344,235	-	-	344,235	55,896	-	-	55,896
Bad debts expense	-	3,000	-	3,000	-	-	-	-
Other expenses	<u>140,989</u>	<u>23,419</u>	<u>5,162</u>	<u>169,570</u>	<u>95,082</u>	<u>15,794</u>	<u>3,481</u>	<u>114,357</u>
Total expenses before depreciation and amortization	9,377,200	747,934	479,344	10,604,478	6,837,629	658,817	483,341	7,979,787
Depreciation and amortization	<u>-</u>	<u>16,046</u>	<u>-</u>	<u>16,046</u>	<u>-</u>	<u>13,431</u>	<u>-</u>	<u>13,431</u>
	\$ 9,377,200	\$ 763,980	\$ 479,344	\$ 10,620,524	\$ 6,837,629	\$ 672,248	\$ 483,341	\$ 7,993,218

See notes to consolidated financial statements.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Consolidated Statements of Cash Flows

	Year Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (1,720,796)	\$ (4,164)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	16,046	13,431
Bad debts expense	3,000	-
Changes in:		
Grants and contributions receivable	50,510	5,070,124
Prepaid expenses and other assets	(20,364)	(36,264)
Accounts payable and accrued expenses	242,210	32,601
Deferred rent obligation	(995)	3,612
	<u>(1,430,389)</u>	<u>5,079,340</u>
Net cash (used in) provided by operating activities		
Cash flow from investing activities:		
Purchases of property and equipment	<u>(189,649)</u>	-
Cash flow from financing activities:		
Drawdown on the bank line of credit	<u>-</u>	<u>400,000</u>
Net change in cash and cash equivalents	(1,620,038)	5,479,340
Foreign currency translation losses (gains)	86,819	(291,027)
Cash and cash equivalents, beginning of year	<u>7,945,408</u>	<u>2,757,095</u>
Cash and cash equivalents, end of year	<u>\$ 6,412,189</u>	<u>\$ 7,945,408</u>

See notes to consolidated financial statements.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Notes to Consolidated Financial Statements March 31, 2022 and 2021

NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

[1] Nature of the organization:

The International Center for Transitional Justice Inc. (the "Center") is a not-for-profit organization organized in Delaware in 2001, the primary goal of which is to promote accountability by helping countries develop effective responses to human-rights abuse arising from repressive rule, mass atrocity or armed conflict. The Center works in transitional societies grappling with a legacy of abuse, as well as in established democracies where historical injustices or systemic abuse remain unresolved. Depending on the context, its work focuses on strategies to document abuse or to establish truth commissions, prosecute perpetrators, reform abusive institutions, provide reparation to victims of violence, or promote reconciliation.

The Center assists governments, nongovernmental and international organizations, and other key factors by providing them with comparative information, legal and policy analysis, documentation and strategic research. Working collaboratively with other organizations and experts throughout the world, the Center aims to build capacity and strengthen the field of transitional justice. These efforts are frequently conducted through local offices established by the Center or through its controlled affiliate organizations, as described below.

[2] Consolidated financial statements:

The accompanying consolidated financial statements include the financial statements of the Center and those of its domestic controlled affiliates, the International Center for Transitional Justice International LLC ("ICTJ International") and the International Center for Transitional Justice Media LLC ("ICTJ Media"), both of which were organized as limited liability companies in Delaware in January 2008. The purpose of ICTJ International is to facilitate the timely opening of international offices and their related registration. The purpose of ICTJ Media is to oversee the film productions of the Center. The Center has offices in a number of other foreign countries.

In addition, the consolidated financial statements also include the financial statements of the following international affiliates, all of which have a common mission as the Center in their respective countries:

- the Centre International pour la Justice Transitionnelle Bruxelles ("ICTJ Brussels"), incorporated in Brussels, Belgium;
- the International Center for Transitional Justice in Lebanon ("ICTJ Lebanon"), incorporated in Beirut, Lebanon;
- the Stichting International Center for Transitional Justice ("ICTJ the Hague"), incorporated in the Hague, the Netherlands;
- the International Centre for Transitional Justice Limited ("ICTJ Kenya"), incorporated in Nairobi, Kenya; and
- the International Centre for Transitional Justice Gambia Chapter ("ICTJ Gambia"), incorporated in The Gambia.

All significant intercompany accounts and transactions for the above entities (together, "ICTJ") have been eliminated in consolidation.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Notes to Consolidated Financial Statements March 31, 2022 and 2021

NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Income tax and compliance reporting:

The Center is exempt from federal income taxes under Section 501(c)(3) and is a public charity rather than a private foundation under Section 509(a) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The financial information of ICTJ International and ICTJ Media is included in the federal and state compliance returns of the Center. Certain of the Center's other controlled affiliates are separate legal entities that function and pay taxes according to the laws of the jurisdictions in which they are organized.

ICTJ follows the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of ICTJ's general tax-exempt status, ASC Topic 740 has not had, and is not anticipated to have, a material impact on ICTJ's consolidated financial statements.

[4] Basis of accounting:

The accompanying consolidated financial statements of ICTJ have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit entities.

[5] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP require management to make estimates and assumption that affect the reported amounts of assets, liabilities, support and revenue, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

[6] Cash and cash equivalents:

For financial reporting purposes, ICTJ considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

[7] Property and equipment:

Property and equipment are reported at their original costs, less accumulated depreciation or amortization. Donated assets are recorded at their fair values on the dates of the gifts. Items with a cost of \$2,000 and an estimated useful life of three years or more are capitalized. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets. Vehicles and furniture and equipment are depreciated over five years, computer hardware and software are depreciated over three years, and leasehold improvements are amortized over their estimated useful lives or the respective lease terms.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value recognizes any impairment in the year of determination. There were no triggering events during fiscal-years 2022 or 2021 requiring management to test for impairment that would require adjustments to property and equipment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[8] Deferred rent obligation:

Rent expense is recognized using the straight-line method over the terms of the lease. The difference between rent expense incurred and the rental amounts paid, which are attributable to scheduled rent increases, is reported as deferred rent obligation in the consolidated statements of financial position.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Notes to Consolidated Financial Statements March 31, 2022 and 2021

NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Accrued vacation:

ICTJ's employees are entitled to be paid for unused vacation time if they leave ICTJ. Accordingly, at each year-end, ICTJ must recognize a liability for the amount that would be incurred if employees with such unused vacation were to leave. The accrued vacation obligation for fiscal-years 2022 and 2021 was approximately \$127,000 and \$110,000, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position.

[10] Net assets:

Net assets and the changes therein are classified and reported as follows:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent those resources that are not subject to donor restrictions and are available for current operations.

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as "net assets released from restrictions."

[11] Grants and contributions:

The operations of ICTJ are financed principally by grants and contributions received from foundations, foreign governments, and the general public. Grants and contributions are recognized as revenue upon the receipt of cash or other assets, or of unconditional pledges. Grants and contributions are reported as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use. Conditional grants and contributions are recognized when the donor's conditions have been met by requisite actions of ICTJ's management or necessary events have taken place. Grants and contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

[12] Measure of operations:

ICTJ includes in its measure of operations all revenue and expenses that are an integral part of its programs and supporting activities. This measure of operations includes transfers from net assets with donor restricted funds to net assets without donor restrictions from local and foreign governments and contributions from private foundations. It excludes foreign currency translation (losses) gains and refund of grants.

[13] Functional allocation of expenses:

The costs of providing ICTJ's various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present expenses by functional and natural classification. Accordingly, direct costs have been functionalized within the program and supporting services based on the nature of the expense. Indirect costs have been allocated on the basis of time, with the exception of occupancy, which is allocated on the basis of space usage.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Notes to Consolidated Financial Statements March 31, 2022 and 2021

NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[14] Upcoming accounting principle:

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, as amended, which supersedes the current leasing guidance and upon adoption, will require lessees to recognize right-of-use assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard is effective for ICTJ for the annual period beginning after December 15, 2021, and can be early adopted. Upon the adoption of the guidance, operating leases are capitalized on the consolidated statement of financial position at the present value of lease payments. The consolidated statement of financial position amount recorded for existing leases at the date of adoption of ASU 2016-02 will be calculated using the applicable incremental borrowing rate, or risk free rate, at the date of adoption. The impact on the ICTJ's consolidated financial statements is currently being evaluated.

[15] Foreign currency translation:

Foreign currency translation gains or losses are the inherent result of the process of translating into U.S. dollars, for consolidated financial reporting purposes, the Center's foreign affiliates' financial statements as stated in their respective functional currencies. Such annual translation adjustments are not included in determining the net increase in assets from operations, but they are instead disclosed as a separate component in the accompanying consolidated statements of activities. Likewise, the cumulative translation gains or losses continue to be reported as an element of net assets without donor restrictions in the consolidated statements of financial position until such time as the Center substantially ceases control of the various international affiliates.

All elements of the consolidated financial statements reflecting foreign grants made to ICTJ are translated into U.S. dollars using applicable exchange rates. For assets and liabilities, this is the rate in effect at the fiscal year-end. For revenue and expense items, translation is performed monthly, using the approximate average rate for the month (see Note F).

[16] Subsequent events:

ICTJ evaluated subsequent events through October 25, 2022, the date the consolidated financial statements were available to be issued.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Notes to Consolidated Financial Statements March 31, 2022 and 2021

NOTE B - GRANTS AND CONTRIBUTIONS RECEIVABLE

At each fiscal year-end, contributions receivable consisted of the following:

	<u>March 31,</u>	
	<u>2022</u>	<u>2021</u>
Gross amounts due in:		
One year	\$ 4,537,386	\$ 4,401,501
Two to five years	<u>1,323,598</u>	<u>1,596,454</u>
	5,860,984	5,997,955
Reduction of contributions due in excess of one year, using a discount rate of 3%	<u>(92,100)</u>	<u>(91,742)</u>
	5,768,884	5,906,213
Less: estimate allowance for doubtful accounts	<u>(176,000)</u>	<u>(173,000)</u>
	<u>\$ 5,592,884</u>	<u>\$ 5,733,213</u>

NOTE C - PROPERTY AND EQUIPMENT

At each fiscal year-end, property and equipment consisted of the following:

	<u>March 31,</u>	
	<u>2022</u>	<u>2021</u>
Vehicles	\$ 19,473	\$ 19,473
Furniture and equipment	32,912	18,534
Computer hardware and software	<u>264,371</u>	<u>89,100</u>
	316,756	127,107
Less: accumulated depreciation and amortization	<u>(122,154)</u>	<u>(106,108)</u>
	<u>\$ 194,602</u>	<u>\$ 20,999</u>

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Notes to Consolidated Financial Statements March 31, 2022 and 2021

NOTE D - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year-end, net assets with donor restrictions consisted of the following:

	<u>March 31,</u>	
	<u>2022</u>	<u>2021</u>
In-country assistance	\$ 7,980,348	\$ 9,706,091
Time-restricted for future periods	<u>1,236,988</u>	<u>2,044,735</u>
	<u>\$ 9,217,336</u>	<u>\$ 11,750,826</u>

During each of the fiscal years, net assets released from restrictions resulted from satisfying the following donor restrictions:

	<u>Year Ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
In-country assistance	\$ 8,388,344	\$ 5,210,598
Time-restricted for future periods	<u>2,044,735</u>	<u>2,634,359</u>
	<u>\$ 10,433,079</u>	<u>\$ 7,844,957</u>

NOTE E - EMPLOYEE-BENEFIT PLAN

ICTJ maintains a Section 403(b) defined-contribution retirement plan that covers substantially all full-time eligible employees. Contributions to the plan are at the discretion of ICTJ's management, subject to annual Internal Revenue Service limitations. Contributions for fiscal-year 2022 and 2021 were approximately \$51,000 and \$49,000, respectively.

NOTE F - FOREIGN CURRENCY TRANSLATION

As described in Note A[15], the applicable exchange rates for various countries such as Belgium, Lebanon, Netherlands, Uganda, Tunisia, Nepal, Colombia, Kenya, and The Gambia range from 0.00027 to 1.01811.

The foreign currency translation (losses) gains for fiscal-years 2022 and 2021 were \$(86,819) and \$291,027, respectively, resulting in cumulative translation losses of \$4,094,883 and \$4,008,064 as of March 31, 2022 and 2021, respectively.

NOTE G - BANK LINE OF CREDIT

In July 2016, ICTJ entered into a revolving bank line of credit agreement with a commercial financial institution for \$1,500,000 expiring on February 15, 2023, bearing interest, payable monthly at Bloomberg Short Term Bank Yield Index plus 1.35 basis points. The balance outstanding on the bank line of credit was \$400,000 as of March 31, 2022 and 2021. There were no drawdowns during fiscal-year 2022. During fiscal-year 2021, ICTJ's drawdowns were \$400,000. The bank line of credit is guaranteed by a separate not-for-profit organization.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

**Notes to Consolidated Financial Statements
March 31, 2022 and 2021**

NOTE H - COMMITMENTS, CONTINGENCY, AND OTHER UNCERTAINTY

[1] Lease agreements:

During fiscal-year 2018, ICTJ entered into a non-cancelable facility lease agreement for its new office space expiring in June 2025. As discussed in Note A[7], the aggregate minimum lease payments are being amortized using the straight-line method over the term of the lease. The cumulative difference between rent expense and amounts paid amounted to \$82,161 and \$83,156 as of March 31, 2022 and 2021, respectively, and was reported as a deferred rent obligation in the accompanying consolidated statements of financial position. The lease required ICTJ to obtain a letter of credit for \$88,219, which is automatically extended for periods of one year, but not extending beyond December 31, 2025. In addition, ICTJ has various facility lease agreements for foreign premises that pay rent on a month-to-month basis. Minimum annual future rental commitments under the lease agreements subsequent to March 31, 2022 are approximately as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2023	\$ 217,000
2024	226,000
2025	231,000
2026	<u>58,000</u>
	<u>\$ 732,000</u>

Rent expense for fiscal-years 2022 and 2021 was approximately \$317,000 and \$309,000, respectively. Management believes that, under certain circumstances, it may be possible to cancel or reduce particular lease commitments.

ICTJ operates in various countries, certain of whose governments at times may become unstable. The consolidated financial statements do not contemplate any possible losses that may arise should these governments destabilize.

[2] Audits by funding sources:

Government-funded activities are subject to audit by the applicable granting agencies. At March 31, 2022 and 2021, there were no material obligations outstanding as a result of such audits, and management believes that unaudited projects will not result in any material obligations.

[3] Other uncertainty:

The extent of the impact of the coronavirus ("COVID-19") outbreak on the operational and financial performance of ICTJ will depend on the continued future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on overall demand for ICTJ's services, all of which are highly uncertain and cannot be predicted. If ICTJ is negatively impacted for an extended period, results of operations may be materially adversely affected.

NOTE I - CONCENTRATION OF CREDIT RISK

ICTJ maintains its cash in bank deposits in amounts which, at times, may exceed federally insured limits. ICTJ has not experienced any losses in such accounts, and management believes ICTJ is not exposed to the risk of any significant loss due to the possible failure of these financial institutions.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Notes to Consolidated Financial Statements March 31, 2022 and 2021

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects ICTJ's financial assets as of the consolidated statements of financial position date available for general use within one year:

	<u>March 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,412,189	\$ 7,945,408
Grants and contributions receivable	<u>5,592,884</u>	<u>5,733,213</u>
Total financial assets available within one year	<u>12,005,073</u>	<u>13,678,621</u>
Less: amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with:		
Purpose and time restrictions	<u>(8,808,497)</u>	<u>(7,349,325)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,196,576</u>	<u>\$ 6,329,296</u>

Liquidity policy:

ICTJ has a policy to structure its financial assets to maintain a sufficient level of operating cash to be available as its general expenditures, liabilities, and other obligations come due as part of the ICTJ's liquidity management. ICTJ also has a \$1,500,000 revolving line of credit available for current operations.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
International Center for Transitional Justice Inc.

We have audited the consolidated financial statements of the International Center for Transitional Justice Inc. as of March 31, 2022 and 2021, and for the years then ended, and have issued our report thereon dated October 25, 2022, which expressed an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Grant and Contribution Activity is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management 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 the 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.

A stylized, handwritten signature of EisnerAmper LLP in black ink.

EISNERAMPER LLP
New York, New York
October 25, 2022



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INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

Schedule of Grants and Contribution Activity March 31, 2022 and 2021

The following donors requested that their grants be specifically acknowledged in ICTJ's consolidated audited financial statements. ICTJ believes all funds are used in a manner consistent with the donor-imposed restrictions and contractual agreements:

Donor Name	External Grant Reference	Grant Period	Currency	Total Grant Amount
Ministry of Foreign Affairs of the Kingdom of The Netherlands	4000001530	April 1, 2018 – March 31, 2022	USD	13,926,827
Swedish International Development Cooperation Agency	11061	April 1, 2018 – March 31, 2022	SEK	40,000,000
Swedish International Development Cooperation Agency, represented by the Embassy of Sweden in Bogotá	N/A	June 1, 2018 – March 31, 2022	SEK	12,000,000
Wellspring Philanthropic Fund	16074	December 1, 2021—November 30, 2023	USD	530,000
European Union	EIDHR/2021/42 4-791	January 15, 2022 – January 14 2024	EUR	493,585