

INTERNATIONAL CENTER FOR  
TRANSITIONAL JUSTICE INC.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023 and 2022

# INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

## Contents

	<b><u>Page</u></b>
<b>Independent Auditors' Report</b>	1 - 2
<b>Financial Statements</b>	
Consolidated statements of financial position as of March 31, 2023 and 2022	3
Consolidated statements of activities for the years ended March 31, 2023 and 2022	4
Consolidated statements of functional expenses for the years ended March 31, 2023 and 2022	5
Consolidated statements of cash flows for the years ended March 31, 2023 and 2022	6
Notes to consolidated financial statements	7 - 14
<b>Independent Auditors' Report on Supplementary Information</b>	15
Supplemental schedule: grants and contribution activity	16

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
International Center for Transitional Justice Inc.

### **Report on the Audit of 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, 2023 and 2022, 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, 2023 and 2022, 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.

## ***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, 2023



# INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

## Consolidated Statements of Financial Position

	March 31,	
	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,998,010	\$ 6,412,189
Grants and contributions receivable, net	5,244,630	5,592,884
Prepaid expenses and other assets	188,068	234,151
Right-of-use asset	448,634	-
Property and equipment, net	<u>129,010</u>	<u>194,602</u>
Total assets	<u>\$ 12,008,352</u>	<u>\$ 12,433,826</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 391,555	\$ 679,864
Bank line of credit payable	-	400,000
Grant advance	789,157	-
Deferred rent obligation	-	82,161
Lease liability	<u>513,817</u>	<u>-</u>
Total liabilities	<u>1,694,529</u>	<u>1,162,025</u>
Commitments and contingency (see Note H)		
<b>NET ASSETS</b>		
Without donor restrictions	2,951,460	2,054,465
With donor restrictions	<u>7,362,363</u>	<u>9,217,336</u>
Total net assets	<u>10,313,823</u>	<u>11,271,801</u>
Total liabilities and net assets	<u>\$ 12,008,352</u>	<u>\$ 12,433,826</u>

See notes to consolidated financial statements.

**INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.**

**Consolidated Statements of Activities**

	Year Ended March 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue:</b>						
Grants and contributions	\$ 2,487,797	\$ 7,418,125	\$ 9,905,922	\$ 1,099,586	\$ 7,899,589	\$ 8,999,175
Other revenue	<u>19,113</u>	<u>-</u>	<u>19,113</u>	<u>17,886</u>	<u>-</u>	<u>17,886</u>
Total public support and revenue before release of restrictions	<u>2,506,910</u>	<u>7,418,125</u>	<u>9,925,035</u>	<u>1,117,472</u>	<u>7,899,589</u>	<u>9,017,061</u>
Net assets released from restrictions	<u>9,273,098</u>	<u>(9,273,098)</u>	<u>-</u>	<u>10,433,079</u>	<u>(10,433,079)</u>	<u>-</u>
Total public support and revenue	<u>11,780,008</u>	<u>(1,854,973)</u>	<u>9,925,035</u>	<u>11,550,551</u>	<u>(2,533,490)</u>	<u>9,017,061</u>
<b>Expenses:</b>						
Program services	<u>7,967,823</u>	<u>-</u>	<u>7,967,823</u>	<u>9,377,200</u>	<u>-</u>	<u>9,377,200</u>
Management and general	<u>1,779,890</u>	<u>-</u>	<u>1,779,890</u>	<u>763,980</u>	<u>-</u>	<u>763,980</u>
Development	<u>428,524</u>	<u>-</u>	<u>428,524</u>	<u>479,344</u>	<u>-</u>	<u>479,344</u>
Total supporting services	<u>2,208,414</u>	<u>-</u>	<u>2,208,414</u>	<u>1,243,324</u>	<u>-</u>	<u>1,243,324</u>
Total expenses	<u>10,176,237</u>	<u>-</u>	<u>10,176,237</u>	<u>10,620,524</u>	<u>-</u>	<u>10,620,524</u>
Change in net assets before foreign currency translation losses and refund of grants	<u>1,603,771</u>	<u>(1,854,973)</u>	<u>(251,202)</u>	<u>930,027</u>	<u>(2,533,490)</u>	<u>(1,603,463)</u>
Foreign currency translation losses	<u>(587,937)</u>	<u>-</u>	<u>(587,937)</u>	<u>(86,819)</u>	<u>-</u>	<u>(86,819)</u>
Refund of grants	<u>(118,839)</u>	<u>-</u>	<u>(118,839)</u>	<u>(30,514)</u>	<u>-</u>	<u>(30,514)</u>
<b>Change in net assets</b>	<u>896,995</u>	<u>(1,854,973)</u>	<u>(957,978)</u>	<u>812,694</u>	<u>(2,533,490)</u>	<u>(1,720,796)</u>
Net assets, beginning 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>
<b>Net assets, end of year</b>	<u>\$ 2,951,460</u>	<u>\$ 7,362,363</u>	<u>\$ 10,313,823</u>	<u>\$ 2,054,465</u>	<u>\$ 9,217,336</u>	<u>\$ 11,271,801</u>

See notes to consolidated financial statements.

**INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.**

**Consolidated Statements of Functional Expenses**

	Year Ended March 31,							
	2023				2022			
	Peace Building Services	Management and General	Development	Total Expenses	Peace Building Services	Management and General	Development	Total Expenses
Salaries, payroll taxes and fringe benefits	\$ 3,000,231	\$ 350,249	\$ 369,315	\$ 3,719,795	\$ 3,316,492	\$ 387,170	\$ 408,245	\$ 4,111,907
Consultants and professional fees	3,697,704	164,525	15,527	3,877,756	5,094,983	226,695	21,394	5,343,072
Publications and public relations	51,752	-	-	51,752	79,916	-	-	79,916
Office expenses	136,234	49,191	15,273	200,698	159,739	57,678	17,908	235,325
Occupancy - all offices	222,855	46,240	24,645	293,740	240,846	49,972	26,635	317,453
Travel and conferences	756,243	-	-	756,243	344,235	-	-	344,235
Bad debts expense	-	1,087,017	-	1,087,017	-	3,000	-	3,000
Other expenses	<u>102,804</u>	<u>17,076</u>	<u>3,764</u>	<u>123,644</u>	<u>140,989</u>	<u>23,419</u>	<u>5,162</u>	<u>169,570</u>
Total expenses before depreciation and amortization	7,967,823	1,714,298	428,524	10,110,645	9,377,200	747,934	479,344	10,604,478
Depreciation and amortization	-	<u>65,592</u>	-	<u>65,592</u>	-	<u>16,046</u>	-	<u>16,046</u>
	<u>\$ 7,967,823</u>	<u>\$ 1,779,890</u>	<u>\$ 428,524</u>	<u>\$ 10,176,237</u>	<u>\$ 9,377,200</u>	<u>\$ 763,980</u>	<u>\$ 479,344</u>	<u>\$ 10,620,524</u>

See notes to consolidated financial statements.

# INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

## Consolidated Statements of Cash Flows

	Year Ended March 31,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (957,978)	\$ (1,720,796)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	65,592	16,046
Bad debts expense	1,087,017	3,000
Noncash lease amortization	198,432	-
Changes in:		
Grants and contributions receivable	(1,326,700)	50,510
Prepaid expenses and other assets	46,083	(20,364)
Accounts payable and accrued expenses	(288,309)	242,210
Grant advance	789,157	-
Deferred rent obligation	-	(995)
Lease liability	<u>(215,410)</u>	<u>-</u>
Net cash used in operating activities	<u>(602,116)</u>	<u>(1,430,389)</u>
<b>Cash flow from investing activities:</b>		
Purchases of property and equipment	<u>-</u>	<u>(189,649)</u>
<b>Cash flow from financing activities:</b>		
Principal payment on the bank line of credit	<u>(400,000)</u>	<u>-</u>
<b>Net change in cash and cash equivalents</b>	<b>(1,002,116)</b>	<b>(1,620,038)</b>
Foreign currency translation losses	587,937	86,819
Cash and cash equivalents, beginning of year	<u>6,412,189</u>	<u>7,945,408</u>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 5,998,010</u></b>	<b><u>\$ 6,412,189</u></b>
<b>Supplemental disclosures of cash flow information:</b>		
Noncash lease liability arising from obtaining right-of-use assets	<u>\$ 729,227</u>	<u>\$ -</u>
Interest paid on bank line of credit	<u>\$ 18,907</u>	<u>\$ 5,092</u>

See notes to consolidated financial statements.



## **INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.**

### **Notes to Consolidated Financial Statements March 31, 2023 and 2022**

#### **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, 2023 and 2022

### 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 are depreciated over five years, furniture and equipment is depreciated over three to seven years, and computer hardware and software is depreciated over three to six years.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing 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-year 2023 or 2022 requiring management to test for impairment that would require adjustments to property, equipment, and software. 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.

# INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

## Notes to Consolidated Financial Statements March 31, 2023 and 2022

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

#### [8] Leases:

ICTJ determines if an arrangement is a lease at inception. For ICTJ's operating lease, a right-of-use ("ROU") asset represents ICTJ's right to use an underlying asset for the lease term and an operating lease liability represents an obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. Since ICTJ's lease agreement does not provide an implicit interest rate, ICTJ uses a risk-free rate based on the information available at the commencement date in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs, such as operating costs, are expensed as incurred.

#### [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 2023 and 2022 was approximately \$110,000 and \$127,000, 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 consolidated 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.

During fiscal-year 2023, ICTJ was awarded two conditional grants of up to approximately \$22,740,000 of which certain conditions were met and approximately \$5,300,000 was recognized as revenue in grants and contributions on the consolidated statements of activities. In addition, there was an advance payment of \$789,157 on one of the conditional grants where the conditions were not satisfied prior March 31, 2023. Accordingly, the advance payment was not recognized as revenue in fiscal-year 2023 and is recorded in grant advance on the consolidated statements of financial position. During fiscal-year 2022, there were no conditional grants awarded to ICTJ.

## INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

### Notes to Consolidated Financial Statements March 31, 2023 and 2022

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

##### [12] Measure of operations:

In the consolidated statements of activities, ICTJ includes in its definition of operations all public support and revenue and expenses that are an integral part of its programs and supporting activities. It excludes foreign currency translation losses 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.

##### [14] 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).

##### [15] Adoption of new accounting principle:

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases*, to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months on the consolidated statements of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. ICTJ elected to adopt ASU 2016-02 as of March 31, 2022, on a prospective basis.

ICTJ has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, ICTJ accounted for its existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether classification of the operating leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

The new lease standard also provides practical expedients for an entity's ongoing accounting. ICTJ elected the short-term lease recognition exemption, under which ICTJ will not recognize ROU assets or lease liabilities on new or existing short-term leases. Short-term leases are defined as those with a term of 12 months or less. ICTJ also elected the practical expedient to not separate lease and non-lease components for certain classes of assets.

# INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

## Notes to Consolidated Financial Statements March 31, 2023 and 2022

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

#### [15] Adoption of new accounting principle: (continued)

As a result of the adoption of the new lease accounting guidance, ICTJ recognized on April 1, 2022 (a) a lease liability of \$729,227 which represented the present value of the remaining lease payments of \$732,328 discounted using the three-year treasury rate of 2.63%, and (b) a ROU asset of \$647,066. This standard did not have a material impact on ICTJ's consolidated statements of financial position or cash flows from operations and had no impact on ICTJ's consolidated statements of activities and changes in net assets. The most significant impact was the recognition of a ROU asset and lease obligation for an operating lease for fiscal year-end 2023.

#### [16] Subsequent events:

ICTJ evaluated subsequent events through October 25, 2023, the date the consolidated financial statements were available to be issued.

### NOTE B - GRANTS AND CONTRIBUTIONS RECEIVABLE

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

	<u>March 31,</u>	
	<u>2023</u>	<u>2022</u>
Gross amounts due in:		
One year	\$ 4,747,233	\$ 4,537,386
Two to five years	<u>1,937,056</u>	<u>1,323,598</u>
	6,684,289	5,860,984
Reduction of contributions due in excess of one year, using a discount rate of 3% - 4%	<u>(176,642)</u>	<u>(92,100)</u>
	6,507,647	5,768,884
Less: estimate allowance for doubtful accounts	<u>(1,263,017)</u>	<u>(176,000)</u>
	<u>\$ 5,244,630</u>	<u>\$ 5,592,884</u>

## INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

### Notes to Consolidated Financial Statements March 31, 2023 and 2022

#### NOTE C - PROPERTY AND EQUIPMENT

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

	<u>March 31,</u>	
	<u>2023</u>	<u>2022</u>
Vehicles	\$ 19,473	\$ 19,473
Furniture and equipment	32,912	32,912
Computer hardware and software	<u>264,371</u>	<u>264,371</u>
	316,756	316,756
Less: accumulated depreciation and amortization	<u>(187,746)</u>	<u>(122,154)</u>
	<u>\$ 129,010</u>	<u>\$ 194,602</u>

#### 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>2023</u>	<u>2022</u>
In-country assistance	\$ 5,729,520	\$ 7,980,348
Time-restricted for future periods	<u>1,632,843</u>	<u>1,236,988</u>
	<u>\$ 7,362,363</u>	<u>\$ 9,217,336</u>

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

	<u>Year Ended</u> <u>March 31,</u>	
	<u>2023</u>	<u>2022</u>
In-country assistance	\$ 9,042,621	\$ 8,388,344
Time-restricted for future periods	<u>230,477</u>	<u>2,044,735</u>
	<u>\$ 9,273,098</u>	<u>\$ 10,433,079</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 2023 and 2022 were approximately \$54,000 and \$51,000, respectively.

# INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

## Notes to Consolidated Financial Statements March 31, 2023 and 2022

### NOTE F - FOREIGN CURRENCY TRANSLATION

As described in Note A[14], the applicable exchange rates for various countries such as Belgium, Lebanon, the Netherlands, Sweden, Uganda, Tunisia, Nepal, Colombia, Kenya, and The Gambia range from 0.0002 to 1.0181.

The foreign currency translation losses for fiscal-years 2023 and 2022 were \$587,937 and \$86,819, respectively, resulting in cumulative translation losses of \$4,682,820 and \$4,094,883 as of March 31, 2023 and 2022, 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, 2024, bearing interest, payable monthly at Bloomberg Short Term Bank Yield Index plus 1.35 basis points equating to 6.25% and 1.68% as of March 31, 2023 and 2022, respectively. The balance outstanding on the bank line of credit was \$400,000 as of March 31, 2022. The bank line of credit was fully repaid in February 2023. The bank line of credit is guaranteed by a separate not-for-profit organization.

### NOTE H - COMMITMENTS AND CONTINGENCY

#### [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. 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.

As of March 31, 2023, the estimated future minimum lease payments under the non-cancelable facility lease agreement are as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2024	\$ 225,904
2025	231,247
2026	<u>58,147</u>
	515,298
Less: amount representing interest	<u>(1,481)</u>
Amount reported on the consolidated statements of financial position	<u>\$ 513,817</u>

**INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.**

**Notes to Consolidated Financial Statements  
March 31, 2023 and 2022**

**NOTE H - COMMITMENTS AND CONTINGENCY**

**[1] Lease agreements: (continued)**

The table below presents additional information related to ICTJ's non-cancelable facility lease agreement for the year ended March 31, 2023:

<b>Weighted average remaining lease term:</b>	
Operating lease	27 months
<b>Weighted average discount rate:</b>	
Operating lease	2.63%

In addition, ICTJ has various facility lease agreements for foreign premises that pay rent on a month-to-month basis. 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.

Rent expense for fiscal-years 2023 and 2022 was approximately \$294,000 and \$317,000, respectively. Management believes that, under certain circumstances, it may be possible to cancel or reduce particular lease commitments. There were no variable lease costs during fiscal-year 2023.

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, 2023 and 2022, 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.

**NOTE I - CONCENTRATION OF CREDIT RISK**

ICTJ deposits cash in financial institutions in amounts which, at times, may exceed the federally insured limits. ICTJ's cash is held at major financial institutions and ICTJ has not experienced any losses in such accounts. Management monitors the risk associated with concentrations on an ongoing basis.



## INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

### Notes to Consolidated Financial Statements March 31, 2023 and 2022

#### 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>2023</u>	<u>2022</u>
Cash and cash equivalents	<b>\$ 5,998,010</b>	\$ 6,412,189
Grants and contributions receivable	<b><u>5,244,630</u></b>	<u>5,592,884</u>
Total financial assets available within one year	<b><u>11,242,640</u></b>	<u>12,005,073</u>
Less: amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with:		
Purpose and time restrictions (excluding time restrictions due within one year)	<b><u>(5,729,520)</u></b>	<u>(8,808,497)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<b><u>\$ 5,513,120</u></b>	<u>\$ 3,196,576</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, 2023 and 2022, and for the years then ended, and have issued our report thereon dated October 25, 2023, 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.

EISNERAMPER LLP  
New York, New York  
October 25, 2023

## INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE INC.

### Schedule of Grants and Contribution Activity March 31, 2023 and 2022

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	4000005702	April 1, 2022 – March 31, 2026	USD	***18,872,667
Swedish International Development Cooperation Agency	13908	April 1, 2022 – March 31, 2026	SEK	37,500,000
Swedish International Development Cooperation Agency, represented by the Embassy of Sweden in Bogotá	15400	May 1, 2022 – March 31, 2026	SEK	10,500,000
European Union	EIDHR/2021/42 4-791	January 15, 2022 – January 14 2024	EUR	493,585
Ministry of Foreign Affairs of Finland	N/A	January 1, 2022 – December 31, 2024	EUR	1,000,000

\*\*\*During fiscal-year 2023, ICTJ received \$4,482,259 of the total grant amount of \$18,872,667 from the Ministry of Foreign Affairs of the Kingdom of The Netherlands. Total expenditures during fiscal-year 2023 related to this grant totaled \$3,693,102, resulting in a total excess funds received over expenditures of \$789,157.