

**LAWYERS WITHOUT BORDERS, INC.**  
(a Nonprofit Corporation)

Financial Statements  
for the Years Ended December 31, 2018 and 2017  
and Independent Auditor's Report

**Lawyers Without Borders, Inc.**  
(A Nonprofit Corporation)

Financial Statements

December 31, 2018 and 2017

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**Federman, Lally & Remis**  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Lawyers Without Borders, Inc.  
New Haven, Connecticut

We have audited the accompanying financial statements of Lawyers Without Borders, Inc. (a nonprofit Connecticut corporation) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lawyers Without Borders, Inc. as of December 31, 2018, and the change in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Emphasis of Matter*

As discussed in Note 2 to the financial statements, Lawyers Without Borders, Inc. changed the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity in 2018.

*Federman, Lally & Remis LLC*

Certified Public Accountants  
Farmington, Connecticut  
November 29, 2019

**LAWYERS WITHOUT BORDERS, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2018 and 2017**

**ASSETS**

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS:		
Cash	\$ 188,909	\$ 163,218
Grants receivable	170,014	240,278
Prepaid expenses and other current assets	<u>14,830</u>	<u>17,310</u>
TOTAL CURRENT ASSETS	<u>373,753</u>	<u>420,806</u>
FURNITURE AND EQUIPMENT, NET	26,193	36,671
OTHER ASSETS:		
Due from affiliate	5,756	1,895
Security deposits	<u>3,750</u>	<u>3,750</u>
TOTAL OTHER ASSETS	<u>9,506</u>	<u>5,645</u>
TOTAL ASSETS	<u>\$ 409,452</u>	<u>\$ 463,122</u>

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES:		
Accrued expenses	\$ <u>67,873</u>	\$ <u>54,917</u>
TOTAL CURRENT LIABILITIES	<u>67,873</u>	<u>54,917</u>
NET ASSETS:		
Without donor restrictions	195,409	190,027
With donor restrictions	<u>146,170</u>	<u>218,178</u>
TOTAL NET ASSETS	<u>341,579</u>	<u>408,205</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 409,452</u>	<u>\$ 463,122</u>

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

LAWYERS WITHOUT BORDERS, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the Years Ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
In-kind contributions	\$ 5,479,690	\$ -	\$ 5,479,690	\$ 5,220,513	\$ -	\$ 5,220,513
Grants	1,327,050	-	1,327,050	698,024	-	698,024
Contributions	288,878	33,820	322,698	293,581	100,000	393,581
Other income	123	-	123	172	-	172
Total revenues and support	<u>7,095,741</u>	<u>33,820</u>	<u>7,129,561</u>	<u>6,212,290</u>	<u>100,000</u>	<u>6,312,290</u>
Net assets released from restriction, satisfaction of time restrictions	<u>105,828</u>	<u>(105,828)</u>	<u>-</u>	<u>303,384</u>	<u>(303,384)</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>7,201,569</u>	<u>(72,008)</u>	<u>7,129,561</u>	<u>6,515,674</u>	<u>(203,384)</u>	<u>6,312,290</u>
EXPENSES:						
Program expenses	(6,333,888)	-	(6,333,888)	(5,538,935)	-	(5,538,935)
Management and general expenses	<u>(862,329)</u>	<u>-</u>	<u>(862,329)</u>	<u>(856,804)</u>	<u>-</u>	<u>(856,804)</u>
Total expenses	<u>(7,196,217)</u>	<u>-</u>	<u>(7,196,217)</u>	<u>(6,395,739)</u>	<u>-</u>	<u>(6,395,739)</u>
OPERATING SURPLUS (DEFICIT)	5,352	(72,008)	(66,656)	119,935	(203,384)	(83,449)
NON-OPERATING ACTIVITIES:						
Interest income	<u>30</u>	<u>-</u>	<u>30</u>	<u>39</u>	<u>-</u>	<u>39</u>
CHANGE IN NET ASSETS	5,382	(72,008)	(66,626)	119,974	(203,384)	(83,410)
NET ASSETS, beginning of year	<u>190,027</u>	<u>218,178</u>	<u>408,205</u>	<u>70,053</u>	<u>421,562</u>	<u>491,615</u>
NET ASSETS, end of year	<u>\$ 195,409</u>	<u>\$ 146,170</u>	<u>\$ 341,579</u>	<u>\$ 190,027</u>	<u>\$ 218,178</u>	<u>\$ 408,205</u>

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

LAWYERS WITHOUT BORDERS, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2018

	Program									
	CESTI	Kenya	Tanzania Tip-Tan	Winrock	CEASE	WICRI	Other International	Total Program	Management and General	Total
Salaries	\$ 125,557	\$ -	\$ 87,417	\$ 61,741	\$ 105,702	\$ 21,367	\$ -	\$ 401,784	\$ 227,045	\$ 628,829
Travel	123,248	-	45,898	36,286	130,392	3,135	-	338,959	18,903	357,862
Miscellaneous	69,186	-	33,872	24,815	49,798	4,816	-	182,487	16,117	198,604
Supplies and training materials	71,191	-	43,223	26,561	10,448	72	-	151,495	16,905	168,400
Outside services	73,954	-	8,001	4,076	65,110	2,631	-	153,772	-	153,772
Employee benefit and payroll taxes	18,834	-	9,616	7,510	12,011	3,147	-	51,118	20,557	71,675
Rent and leased equipment	-	-	-	-	-	-	-	-	44,728	44,728
Printing and copying	5,943	-	5,937	-	4,968	31	-	16,879	-	16,879
Project expense	9,101	-	-	-	4,721	143	-	13,965	-	13,965
Postage and shipping	5,248	-	8,142	208	5,193	-	-	18,791	1,735	20,526
Professional fees	-	-	-	-	-	-	-	-	11,948	11,948
Depreciation	-	-	-	-	-	-	-	-	10,331	10,331
Insurance	-	-	-	-	-	-	-	-	13,429	13,429
Website hosting	-	-	-	-	-	-	-	-	2,977	2,977
Bank fees	-	-	601	-	-	-	-	601	765	1,366
Property taxes	-	-	-	-	-	-	-	-	768	768
Dues and subscriptions	-	-	-	-	-	-	-	-	467	467
	<u>502,262</u>	<u>-</u>	<u>242,707</u>	<u>161,197</u>	<u>388,343</u>	<u>35,342</u>	<u>-</u>	<u>1,329,851</u>	<u>386,675</u>	<u>1,716,526</u>
In-kind legal services	1,670,209	107,141	703,347	68,078	1,426,304	-	1,028,958	5,004,037	293,404	5,297,441
In-kind rental expense	-	-	-	-	-	-	-	-	182,250	182,250
Total expenses	<u>\$ 2,172,471</u>	<u>\$ 107,141</u>	<u>\$ 946,054</u>	<u>\$ 229,275</u>	<u>\$ 1,814,647</u>	<u>\$ 35,342</u>	<u>\$ 1,028,958</u>	<u>\$ 6,333,888</u>	<u>\$ 862,329</u>	<u>\$ 7,196,217</u>

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

LAWYERS WITHOUT BORDERS, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2017

	Program								Management and General	Total
	CESTI	Kenya	Tanzania Tip-Tan	Winrock	CEASE	Other International	Total Program			
Salaries	\$ 34,454	\$ 18,021	\$ 85,474	\$ 21,996	\$ 84,336	\$ -	\$ 244,281	\$ 260,469	\$ 504,750	
Travel	12,363	1,626	50,058	18,520	53,870	-	136,437	12,795	149,232	
Miscellaneous	11,512	3,635	40,259	8,928	35,277	-	99,611	37,820	137,431	
Supplies and training materials	4,814	3,655	73,972	760	9,631	-	92,832	23,035	115,867	
Outside services	10,283	8,180	23,060	600	29,391	-	71,514	-	71,514	
Employee benefit and payroll taxes	5,168	2,571	9,182	2,365	9,998	-	29,284	24,719	54,003	
Rent and leased equipment	-	-	-	-	-	-	-	52,511	52,511	
Printing and copying	2,421	-	8,139	-	12,866	-	23,426	-	23,426	
Project expense	515	7,947	-	4,153	2,939	-	15,554	-	15,554	
Postage and shipping	338	-	5,836	436	2,546	-	9,156	2,120	11,276	
Professional fees	-	-	-	-	-	-	-	16,996	16,996	
Depreciation	-	-	-	-	-	-	-	10,397	10,397	
Insurance	-	-	-	-	-	-	-	6,163	6,163	
Website hosting	-	-	-	-	-	-	-	2,636	2,636	
Bank fees	-	-	854	10	-	-	864	1,162	2,026	
Property taxes	-	-	-	-	-	-	-	921	921	
Dues and subscriptions	-	-	-	-	-	-	-	523	523	
	<u>81,868</u>	<u>45,635</u>	<u>296,834</u>	<u>57,768</u>	<u>240,854</u>	<u>-</u>	<u>722,959</u>	<u>452,267</u>	<u>1,175,226</u>	
In-kind legal services	98,571	40,281	1,321,278	409,596	1,467,246	1,479,004	4,815,976	222,287	5,038,263	
In-kind rental expense	-	-	-	-	-	-	-	182,250	182,250	
Total expenses	<u>\$ 180,439</u>	<u>\$ 85,916</u>	<u>\$ 1,618,112</u>	<u>\$ 467,364</u>	<u>\$ 1,708,100</u>	<u>\$ 1,479,004</u>	<u>\$ 5,538,935</u>	<u>\$ 856,804</u>	<u>\$ 6,395,739</u>	

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



**LAWYERS WITHOUT BORDERS, INC.**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2018 and 2017**

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	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	\$ (66,626)	\$ (83,410)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation expense	10,331	10,397
Loss on disposal of property and equipment	147	-
Changes in operating assets and liabilities:		
Grants receivable	70,264	64,906
Prepaid expenses and other current assets	2,480	(11,042)
Due from affiliate	(3,861)	(1,895)
Accrued expenses	<u>12,956</u>	<u>7,266</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>25,691</u>	<u>(13,778)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture and equipment	<u>-</u>	<u>(1,409)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>(1,409)</u>
NET INCREASE (DECREASE) IN CASH	25,691	(15,187)
CASH, beginning of year	<u>163,218</u>	<u>178,405</u>
CASH, end of year	<u>\$ 188,909</u>	<u>\$ 163,218</u>

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

## LAWYERS WITHOUT BORDERS, INC.

### NOTES TO THE FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

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#### **NOTE 1 - NATURE OF ACTIVITIES:**

##### Nature of Activities

Lawyers Without Borders, Inc. (the "Organization") was organized in Connecticut in March 2000 as a nonprofit corporation for the purpose of providing legal support to Rule of Law projects and initiatives in the human rights and nation building sectors at low or significant discounted costs around the globe. Lawyers Without Borders, Inc. has offices in Connecticut and Washington, D.C.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

##### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applicable to not-for-profit organizations.

##### Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction. They are described as follows:

Without Donor Restrictions - Net assets that are not subject to explicit donor-imposed stipulations. Net assets without donor restriction may be designated for specific purposes by action of the Board of Directors. At December 31, 2018 and 2017, the organization had net assets without donor restriction of \$195,409 and \$190,027, respectively.

With Donor Restrictions - Net assets whose use by the Organization is subject to either explicit donor-imposed stipulations or by operation of law that can be fulfilled by actions of the Organization or that expire by the passage of time. At December 31, 2018 and 2017, the organization had net assets with donor restriction of \$146,170 and \$218,178, respectively. The Organization does not have any net assets that carry permanent donor restrictions or endowment funds.

##### Income Tax Status

The Organization was organized as a nonprofit corporation as described under Section 501(c)(3) of the Internal Revenue Code and, as such, is not subject to federal and state income taxes. Therefore, no tax provision is reflected in the accompanying financial statements.

Under ASC 740, "Income Taxes," an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any uncertain tax positions and, accordingly has not recorded any unrecognized tax benefits at December 31, 2018 and 2017. The Organization's federal information returns prior to calendar year 2015 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

## **LAWYERS WITHOUT BORDERS, INC.**

### **NOTES TO THE FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017**

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If the Organization had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include interest and penalties with the related tax liability in the statements of financial position. For the years ended December 31, 2018 and 2017, there were no interest or penalties recorded or included in the statements of activities and changes in net assets.

#### Cash

For purposes of the statements of cash flows, the Organization considers all temporary cash investments with a maturity of three months or less to be cash equivalents.

#### Revenue Recognition

Contributions received are recorded as with donor restriction or without donor restriction support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Grants that are not accounted for as contributions are recorded as receivables in the period the commitment is made by the grantor and are deemed to be earned and reported as revenue and support when the Organization has expended funds which meet the grant's specific restrictions. Unexpended amounts would be classified as deferred revenue in the financial statements.

#### Contributed Services and Facilities

The Organization recognizes donated services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition in the financial statements. However, a substantial number of volunteers have donated significant amounts of time to the Organization's programs. During the years ended December 31, 2018 and 2017, the number of contributed hours of service by stipend attorneys and other professionals was approximately 12,300 and 11,700 hours, respectively.

Contributed services and donated facilities are reflected at their fair value at date of donation (See Note 6).

#### Furniture and Equipment

Furniture and equipment are stated at cost less accumulated depreciation. The Organization capitalizes all expenditures for furniture and equipment in excess of \$1,000. Donated furniture and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated lives.

## LAWYERS WITHOUT BORDERS, INC.

### NOTES TO THE FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

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Estimated lives for financial reporting purposes are as follows:

<u>Assets</u>	<u>Estimated Lives</u>
Furniture and equipment	5 - 7 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in changes in net assets for the period.

#### Donations of Furniture and Equipment

The Organization reports donations of furniture and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Donations of furniture and equipment with explicit restrictions that specify how the assets are to be used and donations of cash or other assets that must be used to acquire furniture and equipment are reported as restricted support. Absent explicit donor stipulations about how those assets must be maintained, the Organization reports expirations of donor restrictions when the assets are placed in service.

#### Expenses by Function

The costs of providing various programs and activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on estimates developed by management or as defined by the grant. Total amount allocated for the years ended December 31, 2018 and 2017 were \$181,343 and \$99,586, respectively.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

#### Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables. The Organization maintains its cash with high-credit quality financial institutions. The Organization has not experienced any losses in such accounts. During the years ending December 31, 2018 and 2017, the Organization had no cash balances that exceeded the federally insured limits.

Receivables are reviewed by management for collectability based on past history and current economic conditions. Management deems all receivables to be collectable.

#### Recently Issued Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 reduced the number of net assets from

## LAWYERS WITHOUT BORDERS, INC.

### NOTES TO THE FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

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three to two: net assets without donor restrictions, previously reported as unrestricted net assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets of \$218,178 and permanently restricted net assets of \$0 for year ended December 31, 2017. Additionally, it increases the quantitative and qualitative disclosures regarding liquidity and availability of resources, and requires expenses to be reported by both their natural and functional classification in one location. The Organization adopted ASU 2016-14 in 2018, and applied the changes retrospectively. The adoption of this pronouncement has no impact on previously reported total changes in net assets.

#### *Pronouncements Effective in the Future*

In May 2014, the FASB issued ASU 2014-09 – Revenue from Contracts with Customers (Topic 606). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance is effective for fiscal years beginning after December 15, 2018. The Organization is evaluating the impact this update will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02 – Leases (Topic 842). The amendments in this update will supersede much of the existing authoritative guidance for leases. This guidance requires lessees, among other things, to recognize right-of-use assets and liabilities on their balance sheet for all leases with lease terms longer than twelve months. The amendments in the update are effective for fiscal years beginning after December 15, 2020 with early application permitted. The Organization is currently evaluating the impact of this update on its financial statements.

#### Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure through November 29, 2019, which is the date the financial statements were available to be released.

### **NOTE 3 - FURNITURE AND EQUIPMENT**

Furniture and equipment at December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 78,842	\$ 79,212
Less: accumulated depreciation	52,649	42,541
Furniture and equipment, net	<u>\$ 26,193</u>	<u>\$ 36,671</u>

Depreciation expense for years ended December 31, 2018 and 2017 was \$10,331 and \$10,397, respectively.

### **NOTE 4 - LEASE COMMITMENTS**

The Organization leases office equipment under non-cancelable operating leases which expire at various dates through August 2020. The Organization is responsible for the taxes and insurance related to the leased office equipment. Total lease expense for the years ended December 31, 2018 and 2017 was \$20,608, and \$17,518, respectively, and is included in management and general expenses on the accompanying statements of activities and changes in net assets.

## LAWYERS WITHOUT BORDERS, INC.

### NOTES TO THE FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

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The Organization has a sixty-three month lease agreement for office space, commencing January 1, 2013 and originally expiring March 31, 2018. The lease was extended for a one year term expiring on March 31, 2019 and has been extended for an additional one year term, expiring March 31, 2020. The first three months of rent were free and the monthly payments thereafter were escalating starting at \$3,750 and were \$3,978 for the year ended December 31, 2018. The Organization is responsible for utilities and insurance. Total rent expense amounted to \$47,739 and \$47,392 for the years ended December 31, 2018 and 2017, respectively.

Future minimum lease payments as of December 31, 2018 are as follows:

Year ending December 31,	
2019	\$ 69,422
2020	26,032
	<u>\$ 95,454</u>

#### **NOTE 5 - RELATED PARTY TRANSACTIONS**

##### Due from Affiliate

During 2017, the Organization paid expenses on behalf of their United Kingdom affiliate, LWOB-UK, for work performed in Kenya. The balance due from LWOB-UK as of December 31, 2018 and 2017 was \$5,756 and \$1,895, respectively.

##### Employees

The Organization and a related party share an office administrator. The two organizations share the cost of the office administrator's salary.

#### **NOTE 6 - IN-KIND CONTRIBUTIONS AND EXPENSES**

During the years ended December 31, 2018 and 2017, the fair value of contributed services meeting the requirements for recognition in the financial statements was \$5,297,440 and \$5,038,263, respectively, primarily related to providing legal services on behalf of the Organization for various legal projects in a variety of countries.

In May 2015, the Organization entered into a lease agreement with a donor, whereby the Organization will lease 1,350 square foot facility in Washington, D.C. with an aggregate annual base rent of \$0. The estimated market value of the lease is \$11.25 per square foot. The donation is recorded as in-kind contributions and in-kind rental expense. For the years ended December 31, 2018 and 2017, in-kind contribution and in-kind rental expense was \$182,250.

**LAWYERS WITHOUT BORDERS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2018 and 2017**

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**NOTE 7 - PROMISES TO GIVE**

Promises to give at December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Promises to give in less than one year	\$ -	\$ 120,000
Promises to give in one to five years	-	-
Total promises to give	<u>-</u>	<u>120,000</u>
Less: discounts to net present value	-	(3,755)
Promises to give at December 31	<u>\$ -</u>	<u>\$ 116,245</u>

Promises to give of more than one year are discounted at 1.89% at December 31, 2018 and 2017, respectively. Promises to give are included with grants receivable (Note 2) on the accompanying statements of financial position.

**NOTE 8 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure within one year of December 31, 2018 are as follows:

	<u>2018</u>		<u>2017</u>	
	<u>Financial</u>		<u>Available</u>	<u>Available</u>
	<u>Assets</u>	<u>Unavailable</u>	<u>Within</u>	<u>Within</u>
			<u>One Year</u>	<u>One Year</u>
Financial assets:				
Cash	\$ 188,909	\$ -	\$ 188,909	\$ 163,218
Grants receivable	170,014	-	170,014	240,278
Total financial assets available within one year	<u>\$ 358,923</u>	<u>\$ -</u>	<u>\$ 358,923</u>	<u>\$ 403,496</u>

The Organization manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. The Board and management is committed to operating the Organization in a financially prudent manner. The Organization primarily performs grant based projects with grants primarily through the United States Department of State and relies heavily on pro bono legal services to carry out these projects. Other project expenses are carefully monitored for compliance with grant stipulations to ensure they are eligible for reimbursement. Management and general expenses are fairly consistent and are primarily funded through other contributions.