

LAWYERS FOR GOOD GOVERNMENT, INC.

Consolidated Statement of Financial Position

As of December 31, 2022

Assets

Cash and cash equivalents	\$	1,244,878
Accounts receivable, net		119,047
Fixed assets, net		7,447
Prepaid expenses		<u>13,568</u>
<i>Total assets</i>	\$	<u>1,384,940</u>

Liabilities and Net Assets

Accounts payable	\$	12,515
Accrued expenses		<u>61,201</u>
<i>Total liabilities</i>		<u>73,716</u>

Net Assets

Without donor restrictions		980,587
With donor restrictions		<u>330,637</u>
<i>Total net assets</i>		<u>1,311,224</u>
<i>Total liabilities and net assets</i>	\$	<u>1,384,940</u>

LAWYERS FOR GOOD GOVERNMENT, INC.

Consolidated Statement of Activities

For the Year Ended December 31, 2022

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenue and Support</i>			
Grants and contributions	\$ 758,801	\$ 1,172,479	\$ 1,931,280
Interest income	200	-	200
ERTC	79,666	-	79,666
Donated goods and services	20,537,525	-	20,537,525
Net assets released from restrictions	841,842	(841,842)	-
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<i>Total revenue and support</i>	22,218,034	330,637	22,548,671
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<i>Expenses</i>			
Program services	21,741,903	-	21,741,903
General and administrative	355,576	-	355,576
Fundraising	302,123	-	302,123
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<i>Total expenses</i>	22,399,602	-	22,399,602
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<i>Change in net assets</i>	(181,568)	330,637	149,069
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<i>Net assets, beginning of year</i>	1,162,155	-	1,162,155
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<i>Net assets, end of year</i>	\$ 980,587	\$ 330,637	\$ 1,311,224
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See accompanying notes to financial statements.

LAWYERS FOR GOOD GOVERNMENT, INC.

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2022

Cash Flows from Operating Activities

Change in net assets	\$	149,069
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense		3,194
Changes in:		
Accounts receivable, net		(84,054)
Prepaid expenses		(5,356)
Accounts payable		4,601
Accrued expenses		<u>7,962</u>
<i>Net cash provided by operating activities</i>		<u>75,416</u>

Cash Flows from Investing Activities

Purchase of fixed assets		<u>(5,338)</u>
<i>Net cash used in investing activities</i>		<u>(5,338)</u>

Net change in cash and cash equivalents 70,078

Cash and cash equivalents, beginning of year 1,174,800

Cash and cash equivalents, end of year \$ 1,244,878

LAWYERS FOR GOOD GOVERNMENT, INC.

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2022

	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Salary and wages	\$ 813,424	\$ 194,091	\$ 183,152	1,190,667
Payroll taxes	60,153	14,316	13,596	88,065
Fringe benefits	97,349	12,288	16,762	126,399
Advertising	1,266	639	500	2,405
Consultants and contractors	146,478	63,941	4,929	215,348
Development	-	-	35,000	35,000
Depreciation	-	3,194	-	3,194
Donated goods and services	20,537,525	-	-	20,537,525
Dues and subscriptions	2,249	3,185	224	5,658
Fees	13	17,760	10	17,783
Insurance	2,453	7,173	615	10,241
Meals	925	-	677	1,602
Miscellaneous	2,177	2,400	-	4,577
Printing and postage	470	5,553	-	6,023
Supplies	57	521	87	665
Technology expenses	61,049	26,817	37,470	125,336
Telephone and internet	11,849	2,573	1,549	15,971
Travel	4,466	1,125	7,552	13,143
<i>Total expenses</i>	<u>\$ 21,741,903</u>	<u>\$ 355,576</u>	<u>\$ 302,123</u>	<u>\$ 22,399,602</u>

See accompanying notes to financial statements.

LAWYERS FOR GOOD GOVERNMENT, INC.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

Note 1. Nature of Activities

Lawyers for Good Government (L4GG) is a rapidly growing fully-remote non-profit organization focused on mobilizing lawyers and advocates in large-scale pro bono programs and issue advocacy campaigns to establish and enforce human rights and equality under the law. We were founded in November 2016 to respond to anticipated threats to human rights and the rule of law, and since then, have brought more than 125,000 lawyers and concerned community members together to fight for human rights and equal justice.

When legal needs emerge, L4GG launches, scales, and manages rapid and effective response programs and policy advocacy to address both the causes and the impacts of inequity in our political and legal system. We show up where we're needed, when we're needed—and lately, we've been needed to defend the human rights of asylum seekers, protect communities impacted by climate change, fight for racial justice, and more.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Revenues are recognized when the services are performed, and expenses are recorded as incurred.

As required by the FASB Accounting Standards Codification, the Organization's net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LAWYERS FOR GOOD GOVERNMENT, INC.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to be cash on hand, cash in operating bank accounts, sweep accounts and money market funds. The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable is stated at the amount the Organization expects to collect from outstanding balances. The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be recognized as an expense when management makes that determination.

Fixed Assets

Fixed assets are recorded at cost or if donated, at fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives.

The Organization computes depreciation using the straight-line method over the following estimated lives:

Computer and technology	3 Years
Office equipment and furniture	3 Years

Income Tax Status

Lawyers for Good Government, Inc. (c3) qualify as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. This code section enables the Organization to accept donations which qualify as charitable contributions to the donor. Lawyers for Good Government, Inc. (c4) is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code.

Revenue Recognition

Contributions: The Organization recognizes contributions when cash, securities, other assets, and unconditional promise to give, or notification of a beneficial interest are received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

LAWYERS FOR GOOD GOVERNMENT, INC.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Exchange transactions: Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization adopted Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606) using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The core principle is that an entity should recognize revenue to depict the transfer of promised 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. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization applies Topic 606 to exchange transactions in which it receives consideration for products or services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the customers participating in the Organization's programs or using their services. The Organization's revenue is derived from grants and contributions from individuals and corporations. All revenue is recorded at estimated net realizable amounts.

Contributed Services and Gifts in Kind

Donated goods are reported as contributions in the consolidated financial statements at their estimated fair values at the time of receipt. Donated services are similarly reported when services are performed which would otherwise have been purchased or performed by Organization personnel.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific educational programs, administrative and clerical functions as well as various committee assignments, the consolidated financial statements reflect the estimated value of these contributed services.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Professional fees, salaries, payroll taxes and benefits are allocated depending on time and effort. Rent is allocated in accordance with square footage used by full time equivalents.

The following functional expenses are directly allocated to the programs, projects and departments as they are utilized:

- Travel
- Insurance
- Information technology
- Office expenses

LAWYERS FOR GOOD GOVERNMENT, INC.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

Note 2. Summary of Significant Accounting Policies (Continued)

The following functional expenses are allocated depending on time and effort:

- Payroll taxes and benefits
- Professional fees
- Salaries

Note 3. Concentration of Credit Risk

The Organization maintains its cash and cash equivalents at a major bank. The Federal Deposit Insurance Corporation (FDIC) insures balances in non-interest bearing and other deposit accounts as an aggregate balance at each financial institution up to \$250,000. The risk is managed by maintaining all cash accounts in high-quality financial institutions insured by the FDIC up to \$250,000. At December 31, 2022 the Organization had \$868,905 in excess of FDIC insurance.

Note 4. Liquidity and Availability of Financial Assets

The table below presents the Organization's financial assets available within one year to meet its general expenditures at December 31, 2022:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,244,878
Accounts receivable, net	<u>119,047</u>
Total financial assets	1,363,925
Less: net assets with donor restrictions	<u>330,637</u>
Financial assets available to meet general expenditures over the next 12 months	<u><u>\$ 1,033,288</u></u>

Note 5. Fixed Assets

Fixed assets consist of the following as of December 31, 2022:

Computer and technology	33,529
Office equipment and furniture	<u>210</u>
	33,739
Less: accumulated depreciation	<u>(26,292)</u>
Fixed assets, net	<u><u>\$ 7,447</u></u>

LAWYERS FOR GOOD GOVERNMENT, INC.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

Note 5. Fixed Assets (Continued)

Depreciation amounted to \$3,194 for the year ended December 31, 2022. The Organization's capitalization policy is any amount over \$500.

Note 6. Donated Services

The Organization received a substantial amount of contributed legal services to assist the Organization to work in collaboration with various law firms involved in litigation. These services were valued at \$20,537,524, on a total of 23,706 hours for the year ended December 31, 2022. The Organization recognizes revenue and related expenses based on the providers' billable rate at the time of contributed legal services are rendered.

Note 7. Subsequent Events

The Organization evaluated events that occurred after December 31, 2022, the date of the statement of financial position, but before the date the financial statements were available to be issued, October 26, 2023, for potential recognition or disclosure in the financial statements. There were no material subsequent events noted that would require disclosure.

Consolidating Supplemental Information

LAWYERS FOR GOOD GOVERNMENT, INC.

Consolidating Statement of Financial Position

For the Year Ended December 31, 2022

<i>Assets</i>	<u>L4GG (c3)</u>	<u>L4GG (c4)</u>	<u>Eliminations</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,146,868	\$ 98,010	\$ -	\$ 1,244,878
Accounts receivable, net	119,047	-	-	119,047
Fixed assets, net	7,447	-	-	7,447
Prepaid expenses	13,568	-	-	13,568
Due from affiliate	17,972	-	(17,972)	-
<i>Total assets</i>	<u>\$ 1,304,902</u>	<u>\$ 98,010</u>	<u>\$ (17,972)</u>	<u>\$ 1,384,940</u>
<i>Liabilities and Net Assets</i>				
Accounts payable	\$ 12,515	\$ -	\$ -	\$ 12,515
Accrued expenses	61,201	-	-	61,201
Due to affiliate	-	17,972	(17,972)	-
<i>Total liabilities</i>	<u>73,716</u>	<u>17,972</u>	<u>(17,972)</u>	<u>73,716</u>
<i>Net Assets</i>				
Without donor restrictions	900,549	80,038	-	980,587
With donor restrictions	330,637	-	-	330,637
<i>Total net assets</i>	<u>1,231,186</u>	<u>80,038</u>	<u>-</u>	<u>1,311,224</u>
<i>Total liabilities and net assets</i>	<u>\$ 1,304,902</u>	<u>\$ 98,010</u>	<u>\$ (17,972)</u>	<u>\$ 1,384,940</u>

LAWYERS FOR GOOD GOVERNMENT, INC.

Consolidating Statement of Activities

For the Year Ended December 31, 2022

	<i>L4GG (c3)</i> <i>Without Donor</i> <i>Restrictions</i>	<i>L4GG (c3)</i> <i>With Donor</i> <i>Restrictions</i>	<i>L4GG (c4)</i> <i>Without Donor</i> <i>Restrictions</i>	<i>Total</i>
<i>Revenue and Support</i>				
Grants and contributions	\$ 708,931	\$ 1,172,479	\$ 49,870	\$ 1,931,280
Interest income	200	-	-	200
ERTC	79,666	-	-	79,666
Donated goods and services	20,537,525	-	-	20,537,525
Net assets released from restrictions	841,842	(841,842)	-	-
<i>Total revenue and support</i>	22,168,164	330,637	49,870	22,548,671
<i>Expenses</i>				
Program services	21,737,335	-	4,568	21,741,903
General and administrative	339,438	-	16,138	355,576
Fundraising	301,324	-	799	302,123
<i>Total expenses</i>	22,378,097	-	21,505	22,399,602
<i>Change in net assets</i>	(209,933)	330,637	28,365	149,069
<i>Net assets, beginning of year</i>	1,110,482	-	51,673	1,162,155
<i>Net assets, end of year</i>	\$ 900,549	\$ 330,637	\$ 80,038	\$ 1,311,224

LAWYERS FOR GOOD GOVERNMENT, INC.

Consolidating Statement of Functional Expenses

For the Year Ended December 31, 2022

Lawyers for Good Government (c3)

	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Salary and wages	\$ 812,990	\$ 188,337	\$ 182,436	\$ 1,183,763
Payroll taxes	60,117	13,917	13,543	87,577
Fringe benefits	97,276	11,668	16,762	125,706
Advertising	1,266	639	500	2,405
Consultants and contractors	146,478	59,031	4,929	210,438
Development	-	-	35,000	35,000
Depreciation	-	3,194	-	3,194
Donated goods and services	20,537,525	-	-	20,537,525
Dues and subscriptions	2,249	3,185	224	5,658
Fees	13	14,462	10	14,485
Insurance	2,453	7,173	615	10,241
Meals	925	-	677	1,602
Miscellaneous	2,177	2,400	-	4,577
Printing and postage	470	5,539	-	6,009
Supplies	57	521	87	665
Technology expenses	57,027	25,723	37,440	120,190
Telephone and internet	11,846	2,524	1,549	15,919
Travel	4,466	1,125	7,552	13,143
Total expenses	\$ 21,737,335	\$ 339,438	\$ 301,324	\$ 22,378,097

Lawyers for Good Government (c4)

	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Salary and wages	\$ 434	\$ 5,754	\$ 716	\$ 6,904
Payroll taxes	36	399	53	488
Fringe benefits	73	620	-	693
Consultants and contractors	-	4,910	-	4,910
Fees	-	3,298	-	3,298
Printing and postage	-	14	-	14
Technology expenses	4,022	1,094	30	5,146
Telephone and internet	3	49	-	52
Total expenses	\$ 4,568	\$ 16,138	\$ 799	\$ 21,505