

GLOBAL JUSTICE CENTER

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2015

GLOBAL JUSTICE CENTER

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Global Justice Center

We have audited the accompanying financial statements of Global Justice Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year 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.

Auditors' 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 auditors' 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 Global Justice Center as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lotz + Carr, LLP

New York, New York
April 30, 2016

GLOBAL JUSTICE CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

Assets

Cash and cash equivalents (Notes 1b and 5)	\$ 377,047
Unconditional promises to give (Notes 1d and 6)	
Unrestricted	88,243
Temporarily restricted	528,000
Security deposits and other assets	24,010
Investments (Notes 1c, 2 and 3)	366,173
Property and equipment, at cost, net of accumulated depreciation (Notes 1e and 7)	<u>17,579</u>

Total Assets \$1,401,052

Liabilities and Net Assets

Liabilities	
Accounts payable and accrued expenses	<u>\$ 23,613</u>

Commitment (Note 8)

Net Assets

Unrestricted	
Operating	372,266
Board designated reserve fund (Note 3)	366,173
Temporarily restricted (Note 4)	<u>639,000</u>
Total Net Assets	<u>1,377,439</u>

Total Liabilities and Net Assets \$1,401,052

See notes to financial statements.

GLOBAL JUSTICE CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

Changes in Unrestricted Net Assets

Revenue and Other Support	
Grants and contributions	\$1,158,007
Loss on investments (Note 2)	<u>(14,993)</u>
	1,143,014
Net assets released from restrictions	
Satisfaction of time and program restrictions	<u>313,643</u>
Total Revenue and Other Support	<u>1,456,657</u>
Expenses	
Program Services	948,372
Supporting Services	
Management and general	182,691
Fundraising	<u>173,078</u>
Total Expenses	<u>1,304,141</u>
Increase in Unrestricted Net Assets	<u>152,516</u>
Changes in Temporarily Restricted Net Assets	
Contributions	639,000
Net assets released from restrictions	<u>(313,643)</u>
Increase in Temporarily Restricted Net Assets	<u>325,357</u>
Increase in net assets	477,873
Net assets, beginning of year	<u>899,566</u>
Net Assets, End of Year	<u><u>\$1,377,439</u></u>

See notes to financial statements.

GLOBAL JUSTICE CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash Flows From Operating Activities	
Increase in net assets	\$ 477,873
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation	3,122
Loss on disposal of fixed assets	13,290
Unrealized loss on investments	35,417
(Increase) decrease in:	
Unconditional promises to give	(616,243)
Security deposits and other assets	6,173
Increase in accounts payable and accrued expenses	12,847
Net Cash Used By Operating Activities	<u>(67,521)</u>
 Cash Flows From Investing Activities	
Purchase of investments	(120,160)
Purchase of fixed assets	(9,843)
Net Cash Used By Investing Activities	<u>(130,003)</u>
 Net decrease in cash and cash equivalents	(197,524)
Cash and cash equivalents, beginning of year	<u>574,571</u>
 Cash and Cash Equivalents, End of Year	<u><u>\$ 377,047</u></u>

See notes to financial statements.

GLOBAL JUSTICE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Global Justice Center (the "Organization") is a legal human rights organization that works for peace, justice, and security by enforcing international laws that protect human rights and promote gender equality.

The Organization was formed and incorporated in March 2007 in the State of New York.

b - Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments, including money market funds, to be cash equivalents.

c - Investments

The Organization reflects investments at fair value in the statement of financial position. Interest, dividends and gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

GLOBAL JUSTICE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance, when necessary, is based on prior years' experience and management's analysis of specific promises made.

e - Property and Equipment

Property and equipment acquired are recorded at cost, and are depreciated using the straight-line method over estimated useful lives of the related asset. Donations of property and equipment are recorded as support at their estimated fair value.

f - Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

g - 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.

h - Subsequent Events

The Organization has evaluated subsequent events through April 30, 2016, the date that the financial statements are considered available to be issued.

i - Tax Status

Global Justice Center is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as a corporation which is not a private foundation.

GLOBAL JUSTICE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 2 - Investments

The Organization's investments consist of balanced equity and income mutual funds, the values of which are based on quoted market prices in active markets and are therefore classified within Level 1. The cost basis of the investments at December 31, 2015 was \$405,897 and the fair value was \$366,173.

The following schedule summarizes the investment losses for the year ended December 31, 2015:

Interest and dividends	\$ 5,855
Capital gain distributions	14,569
Unrealized loss on investments	<u>(35,417)</u>
	<u>\$(14,993)</u>

Note 3 - Board Designated Reserve Fund

The Organization established a board designated reserve fund, the Action Fund Account, to promote its long term financial stability. The Action Fund Account is comprised of the Organization's investments, with a balance of \$366,173 as of December 31, 2015.

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for future periods and programs.

Note 5 - Concentration of Credit Risk

The Organization maintains its cash balances in a financial institution located in New York.

GLOBAL JUSTICE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 6 - Unconditional Promises to Give

Unconditional promises to give are due as follows:

Due within one year	\$502,243
Due within two years	<u>114,000</u>
	<u>\$616,243</u>

Uncollectible promises to give are expected to be insignificant.

Note 7 - Property and Equipment

Property and equipment consist of the following at December 31, 2015:

	<u>Life</u>	<u>Amount</u>
Computer equipment	3 years	\$11,005
Office equipment	5 years	2,196
Website	3 years	<u>7,500</u>
		20,701
Less: Accumulated depreciation		<u>(3,122)</u>
		<u>\$17,579</u>

Depreciation expense for the year ended December 31, 2015 was \$3,122.

Note 8 - Commitment

The Organization occupies office space pursuant to a lease providing annual rentals ranging from \$102,621 to \$115,501 through May 31, 2019, the expiration date.

GLOBAL JUSTICE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 9 - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

SUPPLEMENTARY INFORMATION



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of
Global Justice Center

We have audited the financial statements of Global Justice Center as of and for the year ended December 31, 2015, and our report thereon dated April 30, 2016, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended December 31, 2015 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Lutz + Carr, LLP

New York, New York
April 30, 2016

GLOBAL JUSTICE CENTER
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries	\$583,831	\$ 102,319	\$ 113,838	\$ 799,988
Payroll taxes and employee benefits	118,978	20,851	23,199	163,028
Memberships and registration	2,588	453	505	3,546
Intern and staff support	2,303	403	449	3,155
Professional fees	69,497	16,701	10,815	97,013
Meetings, travel and related expenses	58,246	806	896	59,948
Insurance	-	5,049	-	5,049
Occupancy	73,698	12,916	14,370	100,984
Office expenses	39,231	6,781	9,006	55,018
Loss on disposal of fixed assets	-	13,290	-	13,290
Total expenses before depreciation	948,372	179,569	173,078	1,301,019
Depreciation	-	3,122	-	3,122
Total Expenses	<u>\$948,372</u>	<u>\$ 182,691</u>	<u>\$ 173,078</u>	<u>\$1,304,141</u>

See independent auditors' report on supplementary information.