

GLOBAL JUSTICE CENTER

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2017 AND 2016

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 statements of financial position as of December 31, 2017 and 2016, and the related statements of activities 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lutz + Carr, LLP

New York, New York
April 20, 2018

GLOBAL JUSTICE CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents (Notes 1b and 5a)	\$ 520,382	\$ 414,254
Unconditional promises to give (Notes 1d, 5b and 6)		
Unrestricted	147,250	40,000
Temporarily restricted	350,000	294,128
Security deposits and other assets	23,755	32,066
Investments (Notes 1c, 2 and 3)	279,233	519,481
Property and equipment, at cost, net of accumulated depreciation (Notes 1e and 7)	<u>8,523</u>	<u>13,225</u>
Total Assets	<u>\$1,329,143</u>	<u>\$1,313,154</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 224,412</u>	<u>\$ 17,120</u>
Commitments (Notes 8 and 9)		
Net Assets		
Unrestricted		
Operating	475,498	382,425
Board designated reserve fund (Note 3)	279,233	519,481
Temporarily restricted (Note 4)	<u>350,000</u>	<u>394,128</u>
Total Net Assets	<u>1,104,731</u>	<u>1,296,034</u>
Total Liabilities and Net Assets	<u>\$1,329,143</u>	<u>\$1,313,154</u>

See notes to financial statements.

GLOBAL JUSTICE CENTER
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Changes in Unrestricted Net Assets		
Revenue and Other Support		
Grants and contributions (Note 5c)	\$ 952,157	\$ 963,893
Net investment income (Note 2)	73,919	58,242
	<u>1,026,076</u>	<u>1,022,135</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	<u>416,470</u>	<u>456,037</u>
Total Revenue and Other Support	<u>1,442,546</u>	<u>1,478,172</u>
Expenses		
Program Services	1,229,839	1,020,399
Supporting Services		
Management and general	165,515	142,681
Fundraising	<u>194,367</u>	<u>151,625</u>
Total Expenses	<u>1,589,721</u>	<u>1,314,705</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(147,175)</u>	<u>163,467</u>
Changes in Temporarily Restricted Net Assets		
Contributions (Note 5c)	350,000	250,000
Net assets released from restrictions	(416,470)	(456,037)
Gain (loss) on foreign exchange	<u>22,342</u>	<u>(38,835)</u>
Decrease in Temporarily Restricted Net Assets	<u>(44,128)</u>	<u>(244,872)</u>
Decrease in net assets	(191,303)	(81,405)
Net assets, beginning of year	<u>1,296,034</u>	<u>1,377,439</u>
Net Assets, End of Year	<u><u>\$1,104,731</u></u>	<u><u>\$1,296,034</u></u>

See notes to financial statements.

GLOBAL JUSTICE CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Decrease in net assets	\$ (191,303)	\$ (81,405)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation	7,821	6,897
Unreceived pledge	-	305
(Gain) loss on foreign exchange	(22,342)	38,835
Realized gain on investments	(19,769)	-
Unrealized gain on investments	(14,958)	(33,355)
(Increase) decrease in:		
Unconditional promises to give	(140,780)	242,975
Security deposits and other assets	8,311	(8,056)
Increase (decrease) in accounts payable and accrued expenses	207,292	(6,493)
Net Cash Provided (Used) By Operating Activities	<u>(165,728)</u>	<u>159,703</u>
Cash Flows From Investing Activities		
Purchase of investments	(75,011)	(119,953)
Purchase of fixed assets	(3,119)	(2,543)
Proceeds from sale of investments	349,986	-
Net Cash Provided (Used) By Investing Activities	<u>271,856</u>	<u>(122,496)</u>
Net increase in cash and cash equivalents	106,128	37,207
Cash and cash equivalents, beginning of year	<u>414,254</u>	<u>377,047</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 520,382</u></u>	<u><u>\$ 414,254</u></u>

See notes to financial statements.

GLOBAL JUSTICE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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, 2017 AND 2016

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 20, 2018, 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, 2017 AND 2016

Note 2 - Investments

Investments at December 31 consist of the following:

	<u>2017</u>		<u>2016</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	<u>\$279,233</u>	<u>\$270,644</u>	<u>\$519,481</u>	<u>\$525,850</u>

Investments are all classified as Level 1 in the fair value hierarchy.

The following schedule summarizes net investment income for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 9,157	\$ 9,250
Capital gain distributions	30,035	15,637
Realized gain on investments	19,769	-
Unrealized gain on investments	<u>14,958</u>	<u>33,355</u>
	<u>\$73,919</u>	<u>\$58,242</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 \$279,233 and \$519,481 as of December 31, 2017 and 2016, respectively. In 2017, there were additions to the fund of approximately \$38,000. Withdrawals in 2017 were approximately \$150,000 and \$200,000, to fund operations and the President and Founder's severance, respectively.

Note 4 - Temporarily Restricted Net Assets

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

GLOBAL JUSTICE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Note 5 - Concentrations

- a - The Organization maintains its cash balances in a financial institution located in New York.
- b - As of December 31, 2017 and 2016, approximately 90% of unconditional promises to give were from two donors, and 100% of unconditional promises to give were from three donors, respectively.
- c - For the years ended December 31, 2017 and 2016, approximately 69% and 75% of new contribution revenue was from three donors, respectively.

Note 6 - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	<u>2017</u>	<u>2016</u>
Due in one year	\$197,250	\$334,128
Due in two to three years	<u>300,000</u>	<u>-</u>
	<u>\$497,250</u>	<u>\$334,128</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:

	<u>Life</u>	<u>2017</u>	<u>2016</u>
Computer equipment	3 years	\$14,817	\$12,807
Office equipment	5 years	4,046	2,937
Website	3 years	<u>7,500</u>	<u>7,500</u>
		26,363	23,244
Less: Accumulated depreciation		<u>(17,840)</u>	<u>(10,019)</u>
		<u>\$ 8,523</u>	<u>\$13,225</u>

GLOBAL JUSTICE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Note 7 - Property and Equipment (continued)

Depreciation expense for the years ended December 31, 2017 and 2016 was \$7,821 and \$6,897, respectively.

Note 8 - Commitment

The Organization occupies office space pursuant to a lease providing base rent through May 31, 2019, the expiration date, as follows:

<u>Year Ending December 31,</u>	
2018	\$111,592
2019	47,565

Note 9 - Retirement Plan

In January 2016, the Organization established a 408(k) pension plan for all eligible employees. For the years ended December 31, 2017 and 2016, the Organization made contributions to the plan of \$22,179 and \$20,063, respectively.

Note 10 - 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



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**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 years ended December 31, 2017 and 2016, and our report thereon dated April 20, 2018, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were 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, 2017 with comparative totals for 2016 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 20, 2018

GLOBAL JUSTICE CENTER

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR 2016

	Program Services	Supporting Services		2017	2016
		Management and General	Fundraising	Total Expenses	Total Expenses
Salaries	\$ 861,840	\$ 106,135	\$ 141,071	\$1,109,046	\$ 852,356
Payroll taxes and employee benefits	134,620	16,579	22,035	173,234	180,788
Memberships and registration	4,929	-	-	4,929	5,030
Intern and staff support	4,063	-	-	4,063	3,254
Professional fees	68,345	19,634	243	88,222	78,329
Meetings, travel and related expenses	34,731	804	10,021	45,556	30,244
Insurance	1,878	231	307	2,416	2,434
Occupancy	90,326	11,124	14,785	116,235	108,861
Office expenses	29,107	3,187	5,905	38,199	46,207
Unreceived pledge	-	-	-	-	305
Total expenses before depreciation	1,229,839	157,694	194,367	1,581,900	1,307,808
Depreciation	-	7,821	-	7,821	6,897
Total Expenses, 2017	<u>\$1,229,839</u>	<u>\$ 165,515</u>	<u>\$ 194,367</u>	<u>\$1,589,721</u>	
Total Expenses, 2016	<u>\$1,020,399</u>	<u>\$ 142,681</u>	<u>\$ 151,625</u>		<u>\$1,314,705</u>

See independent auditors' report on supplementary information.