

**H E A L Y   A N D   A S S O C I A T E S**

**C E R T I F I E D   P U B L I C   A C C O U N T A N T**

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**CENTER FOR JUSTICE AND ACCOUNTABILITY**  
**(A NONPROFIT ORGANIZATION)**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**  
**(WITH SUMMARIZED FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015)**

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INDEPENDENT AUDITOR'S REPORT

August 17, 2016

Board of Directors  
Center for Justice and Accountability  
San Francisco, California

I have audited the financial statements of Center for Justice and Accountability (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, June 30, 2016, 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.


***Other Matters***

*Supplemental Information*

The Supplemental Statement of Activities for the United Nations Voluntary Fund for Victims of Torture for the year ended June 30, 2016 is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Report on Summarized Comparative Information*

The Center for Justice and Accountability's 2015 financial statements were audited by other auditors, and they expressed an unmodified audit opinion on those audited financial statements in their report dated August 19, 2015. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Healy and Associates  
Certified Public Accountant  
Concord, California

**CENTER FOR JUSTICE AND ACCOUNTABILITY****STATEMENT OF FINANCIAL POSITION**

JUNE 30, 2016

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2015)

	June 30	
	2016	2015
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 442,720	\$ 1,314,791
Grants and accounts receivable	884,202	556,570
Investments (Note B)	775,000	26,109
Prepaid expenses	33,460	17,288
<b>TOTAL CURRENT ASSETS</b>	<b>2,135,382</b>	<b>1,914,758</b>
Property and equipment, net (Note C)	18,995	24,301
Restricted investments (Note B)	199,538	200,000
Deposits	16,200	16,200
<b>TOTAL ASSETS</b>	<b>\$ 2,370,115</b>	<b>\$ 2,155,259</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 54,470	\$ 61,775
<b>TOTAL CURRENT LIABILITIES</b>	<b>54,470</b>	<b>61,775</b>
<b>TOTAL LIABILITIES</b>	<b>54,470</b>	<b>61,775</b>
<b>COMMITMENTS AND CONTINGENCIES (Note H)</b>		
<b><u>NET ASSETS</u></b>		
Unrestricted	1,036,478	1,035,393
Temporarily restricted (Note E)	1,079,167	858,091
Permanently restricted (Note F)	200,000	200,000
<b>TOTAL NET ASSETS</b>	<b>2,315,645</b>	<b>2,093,484</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,370,115</b>	<b>\$ 2,155,259</b>

See Notes to Financial Statements

**CENTER FOR JUSTICE AND ACCOUNTABILITY**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

	Unrestricted Operating Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Year Ended June 30	
				2016	2015
<b><u>SUPPORT AND REVENUE</u></b>					
Foundations grants	\$ -	\$ 1,237,000	\$ -	\$ 1,237,000	\$ 1,130,380
United Nations grant		20,000		20,000	\$ 20,000
Corporate grants	9,111			9,111	12,123
Contributions	176,226			176,226	232,847
Fundraising events	298,336			298,336	295,519
Interest income	904	2,411		3,315	2,866
Miscellaneous income	109			109	104
Unrealized loss	(10)	(3,954)		(3,964)	1,448
In-Kind services and goods (Note G)	4,393,282			4,393,282	3,000,522
Net assets released from restriction	1,034,381	(1,034,381)		-	-
Total Support and Revenue	5,912,339	221,076	-	6,133,415	4,695,809
<b><u>EXPENSES</u></b>					
Program	5,512,777			5,512,777	3,991,817
General and administrative	224,909			224,909	230,920
Fundraising	173,568			173,568	206,196
Total Expenses	5,911,254	-	-	5,911,254	4,428,933
Change in net assets	1,085	221,076	-	222,161	266,876
NET ASSETS, beginning of year	1,035,393	858,091	200,000	2,093,484	1,826,608
NET ASSETS, end of year	\$ 1,036,478	\$ 1,079,167	\$ 200,000	\$ 2,315,645	\$ 2,093,484

See Notes to Financial Statements

**CENTER FOR JUSTICE AND ACCOUNTABILITY**

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

	Program	General and Administrative	Fundraising	Total All Funds Year Ended June 30	
				2016	2015
Salaries and wages	\$ 641,401	\$ 127,725	\$ 84,819	\$ 853,945	\$ 727,374
Payroll taxes	47,830	9,808	6,513	64,151	56,366
Employee benefits	65,979	21,118	9,919	97,016	95,249
Total salaries and related expenses	<u>755,210</u>	<u>158,651</u>	<u>101,251</u>	<u>1,015,112</u>	<u>878,989</u>
Consultant fees	109,233	2,595	1,305	113,133	115,474
Accounting fees	-	8,667	-	8,667	8,403
Office expenses	12,617	1,355	2,497	16,469	13,292
Information technology	13,307	2,550	1,673	17,530	25,152
Occupancy	84,919	16,272	10,679	111,870	108,274
Printing and publications	8,051	173	8,191	16,415	16,927
Event expenses	32,421	-	32,421	64,842	54,006
Travel and meals	92,554	3,673	3,951	100,178	120,066
Conferences, conventions and meetings	3,330	4,123	1,043	8,496	10,142
Insurance	6,471	722	474	7,667	10,680
Dues, licenses and memberships	7,815	-	143	7,958	17,769
Legal expenses	10,005	-	-	10,005	15,051
Bank, payroll and processing fees	232	5,970	2,080	8,282	9,137
Pro bono - consultant and legal fees	4,185,533	-	5,655	4,191,188	2,908,903
Pro bono - expenses	190,532	11,563	-	202,095	91,619
Depreciation	-	7,613	-	7,613	6,075
Miscellaneous	547	982	2,205	3,734	18,974
<b>TOTAL EXPENSES</b>	<u><b>\$ 5,512,777</b></u>	<u><b>\$ 224,909</b></u>	<u><b>\$ 173,568</b></u>	<u><b>\$ 5,911,254</b></u>	<u><b>\$ 4,428,933</b></u>

See Notes to Financial Statements

**CENTER FOR JUSTICE AND ACCOUNTABILITY**

## STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

	Year Ended June 30	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 222,161	\$ 266,876
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Unrealized loss (gain)	3,964	(1,448)
Depreciation	7,613	6,075
CHANGES IN ASSETS AND LIABILITIES:		
Accounts receivable	(327,170)	(231,470)
Prepaid expenses	(16,172)	(5,801)
Deposits	-	(7,908)
Accounts payable and accrued expenses	(7,305)	(935)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(116,909)	25,389
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for fixed assets	(2,307)	(30,376)
(Increase) in investments, net	(752,855)	(1,500)
NET CASH USED BY INVESTING ACTIVITIES	(755,162)	(31,876)
NET DECREASE IN CASH	(872,071)	(6,487)
CASH, beginning of year	1,314,791	1,321,278
CASH, end of year	\$ 442,720	\$ 1,314,791

See Notes to Financial Statements



## **CENTER FOR JUSTICE AND ACCOUNTABILITY**

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)**

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#### NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### General

The Center for Justice and Accountability (the Organization) is a nonprofit public benefit corporation, incorporated in Washington, DC in 1998. The mission of the Organization is to deter torture and other severe human rights abuses around the world and advance the rights of survivors to seek truth, justice and redress. The Organization uses litigation and other legal mechanisms to hold perpetrators individually accountable for human rights abuses, develop human rights law, and advance the rule of law in countries transitioning from periods of abuse.

##### Preparation of Financial Statements

The Organization's policy is to prepare its financial statements on the accrual basis of accounting.

##### Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

##### Financial Statement Presentation

Under FASB ASC Subtopic 958-205, *Not-For-Profit Entities—Presentation of Financial Statements*, the Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

##### Contributions

In accordance with FASB ASC Section 958-605-25, *Not-For-Profit Entities—Revenue Recognition*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and nature of grantor restrictions. Contributions are recorded as restricted support if they are received with grantor stipulations that limit the use of the contributed assets. When a grantor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

##### Donated Equipment, Supplies and Services (In-kind)

Donated items and services are included in revenue and expenditures at their estimated values at date of receipt.

**CENTER FOR JUSTICE AND ACCOUNTABILITY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)**

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**NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Cash and cash equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

**Disclosure about Fair Value of Financial Instruments**

The Organization's financial instruments include cash, cash equivalents and investments. The carrying amounts of these financial instruments have been estimated by management to approximate fair value. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." When determining the inputs used to measure fair value, the highest priority is given to observable inputs and lowest priority is given to unobservable inputs. Accounting Standards Codification (ASC) 820-10, *Fair Value Measurement*, establishes a fair value hierarchy to prioritize the inputs used in measuring fair value.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1— Quoted prices for identical assets and liabilities in active markets.

Level 2—Observable inputs other than Level 1, which include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets and liabilities.

The Organization measured the fair value of their investments, consisting of certificates of deposit, using Level 2 inputs.

**Accounts Receivable**

The Organization evaluates the collectability of its receivables on an ongoing basis and records a provision for potential uncollectible receivables when appropriate. At June 30, 2016, the Organization has determined that all receivables are fully collectible and therefore, has not recorded an allowance for doubtful accounts.

**CENTER FOR JUSTICE AND ACCOUNTABILITY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)**

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**NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(continued)**

**Property and equipment**

The Organization records depreciation on its property and equipment on a straight-line basis using the following estimated useful lives:

Computer equipment and software:	3 Years
Furniture and fixtures:	5 Years
Leasehold improvements	5 Years

Maintenance and repairs are expensed as incurred.

The cost of assets sold and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale. Any resulting profit or loss is reflected currently in the statement of activities and changes in net assets.

**Concentration of Credit**

From time to time the Organization holds financial instruments that potentially subject the Organization to concentrations of credit risk consisting of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents exceeding insured limits totaled \$3,717 and \$375,717 at June 30, 2016 and 2015, respectively. It is the opinion of management that the solvency of the financial institution is not of particular concern at this time.

**Federal and State Taxes on Income**

The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code, Section 23701(d) of the California Revenue and Taxation Code and Section 47-1802.1 of the Washington, DC Revenue and Taxation Code, respectively.

The Organization has adopted the accounting guidance related to uncertain tax positions, and has evaluated its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization returns for years ended June 30, 2015, 2014, and 2013 are subject to examination by federal and state taxing authorities generally for three years after they are filed.

**CENTER FOR JUSTICE AND ACCOUNTABILITY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)**

**NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

Reclassifications

Certain reclassifications have been made in the 2015 comparative totals to conform to the classifications used in 2016.

Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

**NOTE B – INVESTMENTS**

The composition and fair value of investments at June 30, 2016 is as follows:

	<u>Fair Value Measurements Using:</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Short Term Investments</u>				
Endowment funds held by Foundation				
Unrestricted funds	\$ (462)			\$ (462)
Permanently restricted funds	200,000			200,000
Certificates of Deposit	775,000		\$775,000	
Total Investments	<u>\$974,538</u>	<u>\$0</u>	<u>\$775,000</u>	<u>\$199,538</u>

**NOTE C – PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2016 consisted of the following:

Leasehold improvements	\$ 30,376
Furniture and equipment	25,390
Less: accumulated depreciation	<u>(36,771)</u>
	<u>\$ 18,995</u>

Depreciation expense for the years ended June 30, 2016 and 2015 was \$7,613 and \$6,075, respectively.

## ENTER FOR JUSTICE AND ACCOUNTABILITY

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

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#### NOTE D – EMPLOYEE BENEFITS

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The value of accumulated vacation at June 30, 2016 and 2015 is \$46,570 and \$35,018, respectively, and is reflected in the accrued expenses in the accompanying financial statements.

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the Organization since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period sick leave is taken.

The Organization offers all of its employees a 403(b) pension plan with no match.

#### NOTE E – TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets at June 30, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Torture Survivors	\$ 10,000	\$ 10,000
Future Operations	1,069,167	845,591
Client Conference	-	2,500
	<u>\$1,079,167</u>	<u>\$ 858,091</u>

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purposes specified by donors as follows during the year ended June 30, 2016:

Client Conference	\$ 2,500
Torture Survivors	20,000
Judith Stronach Fund	(1,543)
Operations	1,013,424
	<u>\$1,034,381</u>

#### NOTE F – PERMANENTLY RESTRICTED NET ASSETS

The Organization maintains one fund of permanently restricted net assets. Those funds are held and managed by the Marin Community Foundation for the benefit of the Organization. Permanent restrictions arise when donors contribute money to the Organization with a restriction stating the money is to be invested and that the principal is not to be spent.

## ENTER FOR JUSTICE AND ACCOUNTABILITY

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

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#### NOTE F – PERMANENTLY RESTRICTED NET ASSETS (continued)

These are considered donor-restricted endowed funds that the Organization must hold in perpetuity. Donors do not set a restriction as to the use of the earnings. The income from permanently restricted net assets is considered a temporarily restricted net asset, which becomes unrestricted when it is spent for the purpose that the Organization has designated. The endowment fund is classified and reported based on the existence or absence of donor-imposed restrictions. They include net assets permanently restricted for:

Judith Stronach Fund	<u>\$200,000</u>
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*The Judith Stronach Fund* was established in 2003 with a donation of \$200,000. The fund was established to enhance the work of the Organization.

#### Interpretation of Relevant Law

The Organization (Board of Directors) has interpreted the California State Uniform Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the endowment fund. As a result of this interpretation, The Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effects of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the Organization

## CENTER FOR JUSTICE AND ACCOUNTABILITY

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

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#### NOTE F – PERMANENTLY RESTRICTED NET ASSETS (Continued)

##### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. The fund experienced losses and incurred fees and investment expenses that left the fund with a deficit of \$462 for the year ended June 30, 2016.

##### Return Objective and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to operations and programs supported by its endowments while at the same time seeking to maintain the principal of the endowment assets. The investment policy identifies acceptable levels of risk and rate of return objectives for the endowed funds. Currently, assets are invested in a manner that is intended to produce moderate income while assuming a low level of risk. The Organization expects the endowment funds, over time, to yield an average rate of return that is consistent with market standards for its types of investment. Actual returns in any given year may vary.

##### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through current yield (interest). The Organization targets an asset allocation in cash and cash equivalents. The details of this asset allocation are reviewed annually and reset to accommodate evolving market conditions.

##### Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization understands the intent of the donors to its endowment funds to be that such funds will maintain their principal in future years. The Organization does not understand its responsibility to be growing the principal balance or to maintain the purchasing power of such funds. Rather, it considers all income earned by a fund to be available to be spent on the mandated purposes of the funds each year.

Endowment net assets consist of the following at June 30, 2016:

<u>Endowment Net Assets</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Judith Stronach Fund	\$ 0	\$200,000	\$200,000

**CENTER FOR JUSTICE AND ACCOUNTABILITY**

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

NOTE F – PERMANENTLY RESTRICTED NET ASSETS (Continued)

Endowment net assets, held by Marin Community Foundation, activity for the year ended June 30, 2016 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets, Beginning of year	\$ 2,742	\$ 0	\$ 200,000	\$ 202,742
Investment activity:				
Interest	-	2,411	-	2,411
Change in value	-	(3,954)	-	(3,954)
Fees and investment costs	-	(1,661)	-	(1,661)
Release and coverage of deficit	<u>(3,204)</u>	<u>3,204</u>	<u>-</u>	<u>0</u>
Judith Stronach Fund	<u>\$ (462)</u>	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 199,538</u>

NOTE G – IN-KIND CONTRIBUTIONS

The Organization partners with outside attorneys, law firms, and investigative support firms to investigate and litigate cases on behalf of its clients. The pro bono partners donate the time of their attorneys and staff in addition to paying for out of pocket expenses associated with investigations and litigation. The Organization calculates the value of donated services using the hourly rates provided by the pro bono partners. Further, the Organization receives donations of facilities, supplies and goods valued throughout the year.

The in-kind contributions were comprised of the following for the years ended June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Pro bono services	\$4,191,188	\$2,908,903
Professional out-of-pocket expenses	<u>202,095</u>	<u>91,619</u>
Total In-Kind Contributions	<u>\$4,393,283</u>	<u>\$3,000,522</u>



**CENTER FOR JUSTICE AND ACCOUNTABILITY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)**

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**NOTE H – COMMITMENTS AND CONTINGENCIES**

Commitments

The Organization leases office space in San Francisco, California through November 2019 at a rate of \$8,810. Additionally, the Organization leases office equipment with monthly payments of \$624, which run through November 2017.

Future commitments associated with these leases are as follows:

<u>Year Ended June 30,</u>	
2017	\$123,826
2018	\$116,251
2019	\$112,497
2020	\$ 47,345

Rent expense for the years ended June 30, 2016 and 2015 was \$111,108 and \$102,027, respectively.

Contingencies

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

**NOTE I – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through August 17, 2016, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2016, have been incorporated into these financial statements.

## SUPPLEMENTARY INFORMATION

**CENTER FOR JUSTICE AND ACCOUNTABILITY**  
**STATEMENT OF ACTIVITIES**  
**UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE**  
**YEAR ENDED JUNE 30, 2016**

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	<u>Budget</u>	<u>Actual</u>
Grant award	<u>\$ 50,000</u>	<u>\$ 20,000</u>
Case costs	26,800	10,720
Salaries (legal)	21,700	8,680
Rent	<u>1,500</u>	<u>600</u>
Total Expenses	<u>50,000</u>	<u>20,000</u>
	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements