JEWS UNITED FOR JUSTICE, INC.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2016 AND 2015

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JM&M
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Independent Auditor's Report

To the Board of Directors
Jews United For Justice, Inc.
Washington, DC

We have audited the accompanying financial statements of Jews United For Justice, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016, and 2015, and the related statements of activities, 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 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 from 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jews United For Justice, Inc. as of December 31, 2016 and 2015, 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.

Washington, DC
November 8, 2017

JEWS UNITED FOR JUSTICE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 189,855	$ 253,234
Grants receivable	58,849	37,500
Total Current Assets	248,704	290,734
PROPERTY AND EQUIPMENT		
Furniture and fixtures	3,000	3,000
Equipment	4,132	2,483
	7,132	5,483
Less: accumulated depreciation	(5,314)	(4,885)
Total Property and Equipment, Net	1,818	598
OTHER ASSETS		
Restricted cash	11,279	15,148
Security deposit	6,576	6,576
Total Other Assets	17,855	21,724
TOTAL ASSETS	$ 268,377	$ 313,056
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses	$ 25,834	$ 21,734
Deferred rent, current	1,529	-
Deferred revenue	3,275	-
Security deposit liabilities	3,275	-
Fiscal sponsor payable	11,279	15,148
Total Current Liabilities	45,192	36,882
LONG-TERM LIABILITIES		
Deferred rent, net	19,897	20,203
Total Liabilities	65,089	57,085
NET ASSETS		
Unrestricted	169,657	218,471
Temporarily restricted	33,631	37,500
Total Net Assets	203,288	255,971
TOTAL LIABILITIES AND NET ASSETS	$ 268,377	$ 313,056

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

JEWS UNITED FOR JUSTICE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Grants	$ 499,031	$ 6,833	$ 505,864
Contract revenue	30,000	-	30,000
Individual contributions	362,413	-	362,413
Synagogues and community allies	14,501	-	14,501
Program income	78,548	-	78,548
Interest income	174	-	174
Net assets released from restrictions	10,702	(10,702)	-
Total Revenue and Other Support	995,369	(3,869)	991,500
EXPENSES			
Program Services:			
Community organizing campaigns	426,497	-	426,497
Outreach	239,404	-	239,404
Leadership development	177,553	-	177,553
Total Program Service	843,454	-	843,454
Support Services:			
General and administrative	112,856	-	112,856
Fundraising	87,873	-	87,873
Total Support Service	200,729	-	200,729
Total Expenses	1,044,183	-	1,044,183
CHANGE IN NET ASSETS	(48,814)	(3,869)	(52,683)
NET ASSETS, beginning of year	218,471	37,500	255,971
NET ASSETS, end of year	$ 169,657	$ 33,631	$ 203,288

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

JEWS UNITED FOR JUSTICE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Grants	$ 386,878	$ 37,500	$ 424,378
Individual contributions	344,818	-	344,818
Synagogues and community allies	13,048	-	13,048
Program income	13,721	-	13,721
Interest income	307	-	307
Total Revenue and Other Support	758,772	37,500	796,272
EXPENSES			
Program Services:			
Community organizing campaigns	337,214	-	337,214
Outreach	203,684	-	203,684
Leadership development	116,776	-	116,776
Total Program Service	657,674	-	657,674
Support Services:			
General and administrative	99,862	-	99,862
Fundraising	76,574	-	76,574
Total Support Service	176,436	-	176,436
Total Expenses	834,110	-	834,110
CHANGE IN NET ASSETS	(75,338)	37,500	(37,838)
NET ASSETS, beginning of year	293,809	-	293,809
NET ASSETS, end of year	$ 218,471	$ 37,500	$ 255,971

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

JEWS UNITED FOR JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	Program Services				Support Services			
	Community Organizing Campaigns	Outreach	Leadership Development	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total
Salaries	$ 268,529	$ 153,816	$ 118,328	$ 540,673	$ 71,095	$ 52,664	$ 123,759	$ 664,432
Payroll taxes	22,635	12,966	9,974	45,575	5,993	4,439	10,432	56,007
Employee benefits	25,075	14,363	11,050	50,488	6,639	4,918	11,557	62,045
Retirement	5,918	3,390	2,608	11,916	1,566	1,161	2,727	14,643
Total Personnel Expense	322,157	184,535	141,960	648,652	85,293	63,182	148,475	797,127
Accounting	-	-	-	-	6,800	-	6,800	6,800
Bank and credit card fees	3,043	1,601	1,231	5,875	492	548	1,040	6,915
Communications	4,433	2,539	1,953	8,925	1,175	869	2,044	10,969
Consultant services	35,520	-	-	35,520	5,302	-	5,302	40,822
Depreciation	-	-	-	-	429	-	429	429
Dues and subscriptions	-	1,009	-	1,009	-	-	-	1,009
Food and rentals	11,714	12,945	10,540	35,199	224	13,540	13,764	48,963
Grants	-	8,347	-	8,347	-	-	-	8,347
Insurance	1,018	583	448	2,049	269	200	469	2,518
Occupancy	35,932	20,582	15,833	72,347	9,513	7,047	16,560	88,907
Office equipment and supplies	3,145	1,802	1,386	6,333	833	617	1,450	7,783
Postage	2,167	1,241	955	4,363	574	425	999	5,362
Printing and copying	5,313	3,043	2,341	10,697	1,407	1,042	2,449	13,146
Travel	2,055	1,177	906	4,138	545	403	948	5,086
Total Expenses	$ 426,497	$ 239,404	$ 177,553	$ 843,454	$ 112,856	$ 87,873	$ 200,729	$ 1,044,183

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

JEWS UNITED FOR JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Services				Support Services			
	Community Organizing Campaigns	Outreach	Leadership Development	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total
Salaries	$ 235,278	$ 130,472	$ 71,653	$ 437,403	$ 54,542	$ 42,778	$ 97,320	$ 534,723
Payroll taxes	20,588	11,417	6,270	38,275	4,773	3,743	8,516	46,791
Employee benefits	20,137	11,167	6,133	37,437	4,669	3,661	8,330	45,767
Retirement	8,181	4,537	2,492	15,210	1,896	1,488	3,384	18,594
Total Personnel Expense	284,184	157,593	86,548	528,325	65,880	51,670	117,550	645,875
Accounting	-	-	-	-	5,939	-	5,939	5,939
Bank and credit card fees	3,299	1,830	1,005	6,134	764	600	1,364	7,498
Communications	4,317	2,394	1,315	8,026	1,001	785	1,786	9,812
Consultant services	-	-	-	-	15,407	-	15,407	15,407
Depreciation	-	-	-	-	35	-	35	35
Dues and subscriptions	-	2,017	-	2,017	-	-	-	2,017
Food and rentals	5,593	11,179	15,055	31,827	728	9,109	9,837	41,664
Grants	-	6,378	-	6,378	-	108	108	6,486
Insurance	1,293	717	394	2,404	300	235	535	2,939
Occupancy	27,953	15,501	8,513	51,967	6,480	5,082	11,562	63,529
Office equipment and supplies	4,376	2,427	1,333	8,136	1,013	796	1,809	9,945
Postage	2,078	1,152	633	3,863	482	378	860	4,723
Printing and copying	515	496	882	1,893	998	7,155	8,153	10,046
Travel	3,606	2,000	1,098	6,704	835	656	1,491	8,195
Total Expenses	$ 337,214	$ 203,684	$ 116,776	$ 657,674	$ 99,862	$ 76,574	$ 176,436	$ 834,110

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

JEWS UNITED FOR JUSTICE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (52,683)	$ (37,838)
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	429	35
(Increase) decrease in:		
Restricted cash	3,869	(6,284)
Grants receivable	(21,349)	(37,500)
Security deposit	-	(1,501)
Increase (decrease) in:		
Accrued expenses	4,100	17,219
Deferred rent	1,223	20,203
Deferred revenue	3,275	-
Security deposit liabilities	3,275	-
Fiscal sponsor payable	(3,869)	6,284
Net Cash Used for Operating Activities	(61,730)	(39,382)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(1,649)	(633)
Net Cash Used for Investing Activities	(1,649)	(633)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(63,379)	(40,015)
CASH AND CASH EQUIVALENTS, beginning of year	253,234	293,249
CASH AND CASH EQUIVALENTS, end of year	$ 189,855	$ 253,234

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

JEWS UNITED FOR JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES

Jews United For Justice, Inc. ("JUFJ") was incorporated in the District of Columbia in 2001 as a 501(c)(3) non-profit charitable organization. JUFJ works in partnership with community-based organizations and synagogues to raise issues of social and economic justice within organized Jewish life and to instill a commitment to social change.

JUFJ accomplishes its mission by conducting the following programs:

Community Organizing Campaigns: JUFJ plays a crucial leadership role in local and regional activism by organizing a passionate and dedicated membership base that is ready to devote their time and resources to serious structural change campaigns. In 2016, JUFJ led the campaign that won paid family and medical leave for half a million workers in Washington and played a key role in winning major policing reforms in Maryland and new rental housing protections in DC.

Outreach: Through programs such as the Labor Seder in DC, the Social Justice Seder in Baltimore, and ongoing public education and community events, JUFJ educates Jews in the Washington-Baltimore area about social and economic injustice, builds a community committed to tikkun olam/repairing the world, and empowers people to take effective action.

Leadership Development: To advance community organizing campaigns for social change JUFJ invests deeply in our leaders to develop knowledgeable and passionate activists who can move campaigns forward as leaders with JUFJ and our close allies.

Fiscally Sponsored Services: JUFJ serves as the fiscal sponsor for three projects: Tikkun Leil Shabbat is a lay-led Friday night Minyan (or religious community) that builds community for progressive Jews in the DC area through prayer services and public education programs; the Progressive Jewish Voice of Central PA and the Baltimore Jewish Green & Just Alliance.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of Accounting</u>

JUFJ's financial statements are prepared on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of Presentation

Financial statement preparation follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") topic of Not-For-Profit Entities. In accordance with the topic, net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of JUFJ and changes therein, are classified and reported as follows:

> *Unrestricted Net Assets* – Net assets not subject to donor-imposed stipulations
>
> *Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met by either actions of JUFJ and/or the passage of time. When a restriction expires or fully spent during the fiscal year, temporarily restricted net assets are reclassified to unrestricted net assets. Temporarily restricted net assets totaled $33,631 and $37,500 as of December 31, 2016 and 2015, and are time restricted.
>
> *Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by JUFJ. JUFJ had no permanently restricted net assets as of December 31, 2016 and 2015.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of revenue and expenses during the reporting periods and reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash equivalents include cash held in money market accounts. JUFJ established an investment account with E-Trade to receive donations in the form of securities. Upon receipt, donated securities are sold and transferred to the general operating cash account at fair value. The balance at December 31, 2016 and 2015, of $0 and $945, respectively, includes unsettled trade transactions for a year-end donation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Restricted Cash

JUFJ serves as a fiscal sponsor for a few organizations and holds the balances of their income over expenses in a separate bank account which is shown in the statement of financial position as a restricted cash.

Grant Receivables

Grant receivables are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of current receivables and historical collectability. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. As of December 31, 2016 and 2015, management has determined that all significant receivables are collectible, therefore an allowance for doubtful accounts has not been established.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method calculated to depreciate the cost of the applicable assets over their estimated useful lives. All assets with a useful life of greater than one year are capitalized while repairs and maintenance are expensed when incurred. The estimated useful lives of property and equipment are 3 to 7 years. All property and equipment has been fully depreciated over the useful life of the assets. Depreciation expense for the years ended December 31, 2016 and 2015, was $429 and $35, respectively.

Revenue Recognition

Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or 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.

Program income is reimbursement of staff time for work done for other entities and is recognized in the year in which work is done.

Contract revenue is recognized as revenue when earned in accordance with the related contract agreement stipulations.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

<u>Deferred Rent</u>

Deferred rent represents abatement of rent granted by the landlord for three months, beginning August 1, 2015 and expiring October 31, 2015. The abatement is recognized as rent expense on a straight-line basis over a period of five years. Deferred rent for the years ended December 31, 2016 and 2015 totaled $21,426 and $20,203, respectively.

<u>Functional Allocation of Expenses</u>

JUFJ allocates expenses on a functional basis among their various programs and support services. The costs of providing various program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services that benefited from such costs.

<u>Reclassifications</u>

Certain amounts in the 2015 financial statements have been reclassified for comparative purposes to conform with presentation in the 2016 financial statements.

NOTE C – INCOME TAXES

JUFJ is recognized as a 501(c)(3) organization, exempt from federal income tax, except on unrelated business activities, under the provisions of Section 501(a) of the Internal Revenue Code. JUFJ is classified as an entity that is not a private foundation under section 509(a)(1).

JUFJ believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

JUFJ's information returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. JUFJ's information returns for the years 2013 through 2015 are open for examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

JEWS UNITED FOR JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(continued)

NOTE D – CONCENTRATION OF CASH

JUFJ maintains cash balances in various financial institutions that are insured by the Federal Deposit Insurance Corporation. Cash balances may, at times, exceed the federally insured deposit limit; however, JUFJ believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE E – OPERATING LEASE

In August 2012, JUFJ entered into a lease agreement for office space. The lease expired on August 31, 2015. In May 2015, JUFJ signed a new five year lease agreement effective August 1, 2015, which expires on October 31, 2020. The lease includes a four percent annual escalation clause. The lease includes three months of rent abatement.

In October 2016, JUFJ entered into a one year occupancy agreement with Bend the Arc located in New York, New York. Under this agreement, monthly rent expense is $600.

Future minimum lease payments are as follows:

	DC office	NY office	Total
2017	$ 81,220	$ 6,000	$ 87,220
2018	84,068	-	84,068
2019	87,012	-	87,012
2020	74,610	-	74,610
	$ 326,910	$ 6,000	$ 332,910

Rent expense for the years ended December 31, 2016 and 2015, totaled $88,907 and $63,529, respectively.

NOTE F – RETIREMENT PLAN

On January 1, 2013, JUFJ started offering a retirement savings program under a SIMPLE IRA for all employees who earn more than $5,000 for the calendar year. Employees can elect to defer their compensation up to the limits provided by the Internal Revenue Service. JUJF provides a discretionary matching contribution up to 3% of eligible employees' salary. For the years ended December 31, 2016 and 2015, contributions to the plan totaled $14,643 and $18,594, respectively.

NOTE G – RELATED PARTY TRANSACTIONS

In June 2014, JUFJ entered into an agreement with Jews United for Justice Campaign Fund ("the Campaign Fund") for allocation of costs and reimbursement of expenses between JUFJ and the Campaign Fund. The Campaign Fund is organized and operated for social welfare purposes. For the years ended December 31, 2016 and 2015, JUFJ made contribution of $25,000 and $0 to the Campaign Fund, respectively. The amount reimbursed by the Campaign Fund to JUFJ for staff time and other costs totaled $15,320 and $0, for the years ended December 31, 2016 and 2015, respectively.

NOTE H – SUBSEQUENT EVENTS

In preparing these financial statements, JUFJ's management has evaluated subsequent events for potential recognition and disclosure through November 8, 2017, which is the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.