ESSEX COUNTY FAMILY JUSTICE CENTER, INC

FINANCIAL STATEMENTS

For the Year Ended
December 31, 2012

***
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**ESSEX COUNTY FAMILY JUSTICE CENTER, INC.**

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Board of Trustees  
Essex County Family Justice Center, Inc.  
Newark, New Jersey

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Essex County Family Justice Center, Inc. (the Center) which comprise the statement of financial position as of December 31, 2012, and the related statements of activity, cash flows, and functional expenses 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.

Auditor's 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Essex County Family Justice Center, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information

We have previously audited the Center’s 2011 financial statements, and our report dated September 11, 2012, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lambides, Arnold, Moulthrop LLP

December 9, 2013
**ESSEX COUNTY FAMILY JUSTICE CENTER, INC.**

**STATEMENT OF FINANCIAL POSITION**
**DECEMBER 31, 2012**
**WITH SUMMARIZED FINANCIAL INFORMATION**
**AS OF DECEMBER 31, 2011**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,629</td>
<td>$30,526</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>73,205</td>
<td>19,903</td>
</tr>
<tr>
<td>Deposits</td>
<td>3,750</td>
<td>3,750</td>
</tr>
<tr>
<td>Property, plant and equipment, net of accumulated depreciation of $40,368 - 2012 and $12,000 - 2011 (Note 3)</td>
<td>96,534</td>
<td>115,402</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$177,118</strong></td>
<td><strong>$169,581</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$7,077</td>
<td>$20,039</td>
</tr>
<tr>
<td>Line of credit</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>12,077</strong></td>
<td><strong>20,039</strong></td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>95,223</td>
<td>140,384</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>69,818</td>
<td>9,158</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>165,041</strong></td>
<td><strong>149,542</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$177,118</strong></td>
<td><strong>$169,581</strong></td>
</tr>
</tbody>
</table>

See notes to the financial statements.

Exhibit A
ESSEX COUNTY FAMILY JUSTICE CENTER, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2011

<table>
<thead>
<tr>
<th></th>
<th>TEMPORARILY UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL 2012</th>
<th>TOTAL 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions, gifts and grants:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals</td>
<td>$ 3,264</td>
<td>$ 3,264</td>
<td>$ 3,702</td>
<td></td>
</tr>
<tr>
<td>Corporations &amp; law firms</td>
<td>$ 15,000</td>
<td>15,000</td>
<td>11,200</td>
<td></td>
</tr>
<tr>
<td>Government grants</td>
<td>84,210</td>
<td>84,210</td>
<td>65,361</td>
<td></td>
</tr>
<tr>
<td>Foundations</td>
<td>390,881</td>
<td>390,881</td>
<td>320,404</td>
<td></td>
</tr>
<tr>
<td>In kind contributions</td>
<td>13,866</td>
<td>13,866</td>
<td>28,023</td>
<td></td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>429,431</td>
<td>(429,431)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>446,561</td>
<td>60,660</td>
<td>507,221</td>
<td>428,690</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>333,869</td>
<td></td>
<td></td>
<td>296,938</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>143,044</td>
<td>143,044</td>
<td>128,192</td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>14,809</td>
<td>14,809</td>
<td>13,087</td>
<td></td>
</tr>
<tr>
<td>Total supporting services</td>
<td>157,853</td>
<td>157,853</td>
<td>141,279</td>
<td></td>
</tr>
<tr>
<td>Total expenses</td>
<td>491,722</td>
<td></td>
<td>491,722</td>
<td>438,217</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>(45,161)</td>
<td>60,660</td>
<td>15,499</td>
<td>(9,527)</td>
</tr>
<tr>
<td><strong>Net Assets at Beginning of Year</strong></td>
<td>140,384</td>
<td>9,158</td>
<td>149,542</td>
<td>159,069</td>
</tr>
<tr>
<td><strong>Net Assets at End of Year</strong></td>
<td>$ 95,223</td>
<td>$ 69,818</td>
<td>$165,041</td>
<td>$149,542</td>
</tr>
</tbody>
</table>

See notes to the financial statements.

Exhibit B
ESSEX COUNTY FAMILY JUSTICE CENTER, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2011

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities:</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$15,499</td>
<td>$(9,527)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>28,368</td>
<td>12,000</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>(53,302)</td>
<td>7,461</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>(3,750)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(12,962)</td>
<td>10,577</td>
</tr>
<tr>
<td>Line of credit</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>(17,397)</td>
<td>16,761</td>
</tr>
</tbody>
</table>

| Cash Flows from Investing Activities: | | |
| Purchase of fixed assets             | (9,500) | (127,402) |
| Net cash used by investing activities | (9,500) | (127,402) |

Net Decrease in Cash and Cash Equivalents  
(26,897)  
(110,641) 

Cash and Cash Equivalents at Beginning of Year  
30,526  
141,167  

Cash and Cash Equivalents at End of Year  
$3,629  
$30,526

See notes to the financial statements.
## ESSEX COUNTY FAMILY JUSTICE CENTER, INC.

**STATEMENT OF FUNCTIONAL EXPENSES**
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2011

<table>
<thead>
<tr>
<th></th>
<th>Supporting Services</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Total</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$132,164</td>
<td>$57,496</td>
<td>$9,828</td>
<td>$67,324</td>
<td>$199,488</td>
<td>$168,280</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>14,782</td>
<td>4,252</td>
<td>1,215</td>
<td>5,467</td>
<td>20,249</td>
<td>18,544</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>8,455</td>
<td>2,432</td>
<td>695</td>
<td>3,127</td>
<td>11,582</td>
<td>2,029</td>
</tr>
<tr>
<td>Professional fees</td>
<td>99,392</td>
<td>15,259</td>
<td>107</td>
<td>15,366</td>
<td>114,758</td>
<td>130,129</td>
</tr>
<tr>
<td>In kind legal services</td>
<td>13,866</td>
<td>13,866</td>
<td></td>
<td>13,866</td>
<td>28,023</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>5,544</td>
<td>1,998</td>
<td>1,998</td>
<td>7,542</td>
<td>8,032</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>7,677</td>
<td>2,559</td>
<td>2,559</td>
<td>10,236</td>
<td>4,269</td>
<td></td>
</tr>
<tr>
<td>Occupancy</td>
<td>40,685</td>
<td>10,849</td>
<td>2,712</td>
<td>13,561</td>
<td>54,246</td>
<td>36,964</td>
</tr>
<tr>
<td>Advertising</td>
<td>781</td>
<td>27</td>
<td>27</td>
<td>780</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Postage and shipping</td>
<td></td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>316</td>
<td></td>
</tr>
<tr>
<td>Printing</td>
<td></td>
<td>2,100</td>
<td></td>
<td>2,100</td>
<td>903</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>1,554</td>
<td>-</td>
<td>1,554</td>
<td>3,742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>4,007</td>
<td>-</td>
<td>4,007</td>
<td>2,168</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>5,006</td>
<td>1,566</td>
<td>225</td>
<td>1,791</td>
<td>6,797</td>
<td>7,955</td>
</tr>
<tr>
<td>Victim's aid</td>
<td>9,635</td>
<td>-</td>
<td>9,635</td>
<td>10,741</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer equipment</td>
<td>4,187</td>
<td>1,396</td>
<td>1,396</td>
<td>5,583</td>
<td>3,452</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous expense</td>
<td></td>
<td>759</td>
<td></td>
<td>759</td>
<td>670</td>
<td></td>
</tr>
</tbody>
</table>

**Total expenses before depreciation and amortization**

|                      | 333,869            | 114,676                | 14,809       | 129,485 | 463,354 | 426,217 |

**Depreciation and amortization**

|                      | 28,368             | 28,368                 |              | 28,368  | 12,000  |

**Total expenses**

|                      | $333,869           | $143,044                | $14,809      | $157,853 | $491,722 | $438,217 |

See notes to the financial statements.

Exhibit D
ESSEX COUNTY FAMILY JUSTICE CENTER, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

1. **Organization:**

   Essex County Family Justice Center, Inc. (the Center) is a New Jersey not-for-profit corporation, tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The mission of the Essex County Family Justice Center is to enhance the safety and autonomy of domestic violence victims and their children by providing accessible and coordinated services in one location.

2. **Significant Accounting Policies:**

   (a) **Basis of Accounting**

      The accompanying financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

   (b) **Functional Allocation of Expenses**

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

   (c) **Cash and Cash Equivalents**

      For purposes of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less.

   (d) **Contributions**

      Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. 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.

   (e) **Land, Buildings and Equipment**

      Depreciable assets over $2,500 are recorded at cost at date of acquisition or fair value at date of donation in the case of gifts. Depreciation is recorded on a straight-line basis over the estimated useful lives as follows:

      - **Leasehold improvements**
      - **Equipment, furniture and fixtures**

      | Asset Type                      | Useful Life |
      |---------------------------------|-------------|
      | Leasehold improvements          | 5 years     |
      | Equipment, furniture and fixtures | 3-5 years   |

      Continued
ESSEX COUNTY FAMILY JUSTICE CENTER, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Significant Accounting Policies: (continued)

(f) Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, 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.

(g) Prior-Year Summarized Comparative 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 Center’s financial statements for the year ended December 31, 2011, from which the summarized information was derived.

3. Property and Equipment:

Property and equipment at December 31, 2012 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$129,500</td>
<td>$37,900</td>
<td>$91,600</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>7,402</td>
<td>2,468</td>
<td>4,934</td>
</tr>
<tr>
<td></td>
<td>$136,902</td>
<td>$40,368</td>
<td>$96,534</td>
</tr>
</tbody>
</table>

4. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

<table>
<thead>
<tr>
<th>Grant Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicholson Foundation grant</td>
<td>$42,465</td>
</tr>
<tr>
<td>Healthcare Foundation grant</td>
<td>23,411</td>
</tr>
<tr>
<td>Other grants</td>
<td>3,942</td>
</tr>
<tr>
<td></td>
<td>$69,818</td>
</tr>
</tbody>
</table>

Continued
5. **Net Assets Released from Restrictions:**

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows:

<table>
<thead>
<tr>
<th>Grant</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicholson Foundation grant</td>
<td>$160,680</td>
</tr>
<tr>
<td>Healthcare Foundation grant</td>
<td>145,692</td>
</tr>
<tr>
<td>New Jersey Victims Assistance grant</td>
<td>54,848</td>
</tr>
<tr>
<td>Merck Foundation grant</td>
<td>25,000</td>
</tr>
<tr>
<td>Verizon grant</td>
<td>11,477</td>
</tr>
<tr>
<td>City of Newark grant</td>
<td>16,891</td>
</tr>
<tr>
<td>Essex Count grant</td>
<td>12,068</td>
</tr>
<tr>
<td>Hyde &amp; Watson Foundation grant</td>
<td>2,775</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$429,431</strong></td>
</tr>
</tbody>
</table>

6. **Contributed Materials and Services:**

The Center records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses.

The Center received contributed professional services during the period ended December 31, 2012, with an estimated fair market value on the dates of donation of $13,866.

7. **Contributions Receivable:**

Contributions receivable are stated at the amount management expects to collect from outstanding balances in the following year. The list below represents the contributions receivable as of December 31, 2012:

<table>
<thead>
<tr>
<th>Grant</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicholson Foundation grant</td>
<td>$53,323</td>
</tr>
<tr>
<td>New Jersey Victim's Assistance grant</td>
<td>16,198</td>
</tr>
<tr>
<td>City of Newark grant</td>
<td>3,684</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$73,205</strong></td>
</tr>
</tbody>
</table>

8. **Operating Lease:**

The Center has entered into an operating lease primarily for office space. The lease began on June 1, 2012, and expires May 31, 2016. Monthly rental expense is $2,778 for base rent and an additional $1,000 for utilities. There will be an annual increase of one percent for each year until the termination. Rent and utilities expenses for the lease totaled $46,220 for the year ended December 31, 2012.

Continued
8. **Operating Lease**: (continued)

Rental and utility expenses for the lease for each of the next four years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$45,497</td>
</tr>
<tr>
<td>2014</td>
<td>45,832</td>
</tr>
<tr>
<td>2015</td>
<td>46,170</td>
</tr>
<tr>
<td>2016</td>
<td>23,170</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$160,669</strong></td>
</tr>
</tbody>
</table>

9. **Cash Flow Information**:

During the year ended December 31, 2012, no amounts were incurred or paid for interest or income taxes.

10. **Concentration of Support**:

Five donors provided approximately 94% of the Center's contributed support during the year ended December 31, 2012.

11. **Subsequent Events**:

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through December 9, 2013, the date the financial statements were available to be issued.