

**Mothers for Justice and Equality, Inc.**  
Financial Statements  
and  
Independent Accountants' Report  
December 31, 2014 with Comparative Totals for 2013

**MOTHERS FOR JUSTICE AND EQUALITY, INC.**

**Table of Contents**

**December 31, 2014 and 2013**

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6-10

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

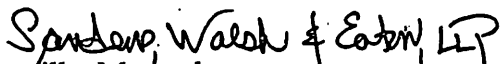
To the Board of Directors of the  
Mothers for Justice and Equality, Inc.

We have reviewed the accompanying statement of financial position of Mothers for Justice and Equality, Inc. (a nonprofit organization) as of December 31, 2014, and the related statement of activities, functional expenses and cash flow for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. The 2013 financial statements of Mothers for Justice and Equality, Inc. were reviewed by other accountants, whose report dated May 31, 2014, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

  
Osterville, Massachusetts  
May 6, 2015

**Mothers for Justice and Equality, Inc.**  
**Statement of Financial Position**  
**December 31, 2014 with Comparative Totals for 2013**

<i>Assets</i>	<i>2014</i>	<i>2013</i>
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 2,415	\$ 49,854
Cash held by fiscal agent	<u>-</u>	<u>3,514</u>
Total cash and cash equivalents	<u>2,415</u>	<u>53,368</u>
Accounts receivable	-	5,376
Grants and contributions receivable	35,000	-
Prepaid expenses	<u>-</u>	<u>588</u>
Total current assets	<u>37,415</u>	<u>59,332</u>
<i>Fixed Assets:</i>		
Furniture and equipment	16,014	16,014
Leasehold improvements	9,267	7,038
Less: accumulated depreciation	<u>(12,553)</u>	<u>(5,284)</u>
Net fixed assets	<u>12,728</u>	<u>17,768</u>
<i>Other Assets:</i>		
Rental deposit	<u>1,578</u>	<u>1,578</u>
Total assets	<u>\$ 51,721</u>	<u>\$ 78,678</u>
<i>Liabilities and Net Assets</i>		
<i>Current Liabilities:</i>		
Accounts payable	\$ -	\$ 4,639
Accrued expenses	<u>2,343</u>	<u>2,701</u>
Total current liabilities and total liabilities	<u>2,343</u>	<u>7,340</u>
<i>Net Assets:</i>		
Unrestricted	14,378	71,338
Temporarily restricted	<u>35,000</u>	<u>-</u>
Total net assets	<u>49,378</u>	<u>71,338</u>
Total liabilities and net assets	<u>\$ 51,721</u>	<u>\$ 78,678</u>

*See independent accountants' report and accompanying notes to financial statements.*

**Mothers for Justice and Equality, Inc.**  
**Statement of Activities**  
For the Year Ended December 31, 2014 with Comparative Totals for 2013

	<i>2014</i>	<i>2013</i>
<b><i>Change in Unrestricted Net Assets:</i></b>		
<i>Revenue and Support:</i>		
Grants and contributions	\$ 253,211	\$ 285,637
Government grants and contracts	82,031	40,700
Donated goods and services	8,688	3,869
Special event	52,455	15,700
Program service fees	-	1,125
Other revenue	99	-
	<u>396,484</u>	<u>347,031</u>
Total revenue and support		
 <i>Expenses:</i>		
Program services:		
Education	246,558	151,957
Engagment	48,840	86,792
	<u>295,398</u>	<u>238,749</u>
Total program services		
 Supporting services		
Management and general	83,956	39,601
Fundraising	49,919	78,234
Special event	24,171	18,709
	<u>158,046</u>	<u>136,544</u>
Total supporting services		
Total expenses	<u>453,444</u>	<u>375,293</u>
Change in unrestricted net assets	(56,960)	(28,262)
 <b><i>Change in Temporarily Restricted Net Assets:</i></b>		
Grants and contributions	<u>35,000</u>	-
Change in net assets	(21,960)	(28,262)
Net assets, beginning of year	<u>71,338</u>	<u>99,600</u>
Net assets, end of year	<u>\$ 49,378</u>	<u>\$ 71,338</u>

*See independent accountants' report and accompanying notes to financial statements.*

**Mothers for Justice and Equality, Inc.**  
**Statement of Functional Expenses**  
For the Year Ended December 31, 2014 with Summarized Comparative Totals for 2013

	<i>Program Services</i>		<i>Supporting Services</i>			<i>2014 Total</i>	<i>2013 Total</i>
	<i>Education</i>	<i>Engagement</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Special Event</i>		
Salaries and wages	\$ 124,094	\$ 32,506	\$ 31,326	\$ 33,139	\$ 1,759	\$ 222,824	\$ 174,337
Payroll taxes	11,062	2,923	3,022	2,988	155	20,150	19,392
Employee benefits	8,446	1,854	4,889	1,212	289	16,690	12,264
Stipends	52,357	-	-	-	-	52,357	5,760
Consulting	9,290	-	112	7,816	-	17,218	50,271
Fiscal agent fee	-	-	-	-	-	-	32,623
Accounting	-	-	31,669	-	-	31,669	3,469
Occupancy	14,561	5,380	5,047	2,230	263	27,481	12,469
Information technology	2,558	673	1,373	400	42	5,046	3,785
Supplies and materials	4,947	616	1,697	325	68	7,653	7,012
Printing and reproduction	1,019	116	2,393	188	2,775	6,491	10,029
Telephone and communications	1,303	268	470	179	54	2,274	1,769
Advertising and promotion	-	-	80	58	2,270	2,408	75
Travel, meetings and conferences	12,625	3,651	352	704	16,380	33,712	33,337
Other space rental	-	-	-	-	-	-	2,800
Depreciation	4,296	853	1,337	680	103	7,269	5,036
Other	-	-	189	-	13	202	865
<b>Total</b>	<b>\$ 246,558</b>	<b>\$ 48,840</b>	<b>\$ 83,956</b>	<b>\$ 49,919</b>	<b>\$ 24,171</b>	<b>\$ 453,444</b>	<b>\$ 375,293</b>

*See independent accountants' report and accompanying notes to financial statements.*

**Mothers for Justice and Equality, Inc.**

Statement of Cash Flows

For the Year Ended December 31, 2014 with Comparative Totals for 2013

	<i>2014</i>	<i>2013</i>
<b><i>Cash Flows From Operating Activities:</i></b>		
Change in net assets	\$ (21,960)	\$ (28,262)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	7,269	5,036
(Increase)/decrease in operating assets:		
Accounts receivable	5,376	(5,376)
Grants and contributions receivable	(35,000)	-
Prepaid expenses	588	(588)
Increase/(decrease) in operating liabilities:		
Accounts payable	(4,639)	4,838
Accrued expenses	(358)	
Due to fiscal agent	-	(25,743)
Net cash used in operating activities	<u>(48,724)</u>	<u>(50,095)</u>
<b><i>Cash Flows From Investing Activities:</i></b>		
Purchase of fixed assets	<u>(2,229)</u>	<u>(20,552)</u>
Net cash used in investing activities	<u>(2,229)</u>	<u>(20,552)</u>
Net decrease in cash and cash equivalents	<u>(50,953)</u>	<u>(70,647)</u>
Cash and cash equivalents, beginning of year	<u>53,368</u>	<u>124,015</u>
Cash and cash equivalents, end of year	<u>\$ 2,415</u>	<u>\$ 53,368</u>

**Mothers for Justice and Equality, Inc.**  
Notes to Financial Statements  
For the Year Ended December 31, 2014  
with Comparative Totals for 2013

**1. Organization**

Mothers for Justice and Equality, Inc. (MJE), is a Massachusetts nonprofit organization whose purpose is to end domestic violence; empower local communities to end neighborhood violence; reclaim identity of local communities; and restore a sense of home of hope and purpose for all children in the local communities. MJE's operations are funded primarily from government, foundation and corporate grants, and contributions from the general public.

During 2013, MJE's finances were managed by a fiscal agent while it awaited approval of its application for exemption from federal income taxes. On March 28, 2014, MJE received its formal determination letter of exemption under section 501(c)3 of the Internal Revenue Code, with an effective date of November 1, 2011.

To accomplish its mission, MJE offers the following programs and services:

***Engagement***

Engagement activities challenge the normalization of violence and provide members with opportunities to act as catalysts for change at home and in their community. They include:

- **MJE Monthly Empowerment Meetings** that engage community leaders to educate and empower our members through motivational speeches, informative presentations, and educational workshops.
- **MJE Town Hall Meetings** where members have the opportunity to question and hold accountable elected officials and those seeking office.
- **Monthly Coffee Hours** where MJE members meet in small groups with civic and community leaders to strategize about ways to further engage community members in our efforts to end violence.
- **Playground Rallies** conducted by MJE's Junior Advocates during the summer months at Boston playgrounds where the threat of violence is high.

***Education***

Education is a key component of MJE's leadership development. The program provides that educated citizens have the tools to claim their voices and speak out for their communities. This program is delivered along two tracks; one for mothers and one for youth as follows:

- **You Matter Program** for mothers and other adults in the community is offered as an 8-week program and helps participants acquire the skills and tools needed to engage the community in dialogue, inquiry, and actions as well as the knowledge to educate others who are invested in helping communities eliminate violence, particularly street violence involving youths.
- **MJE Alumni Network** provides opportunity for mothers who complete the You Matter training to implement the learning they gained via engagement in specific policy reform and advocacy actions that they identify as important to the betterment of the quality of life for children and families, and to work within MJE to help implement our engagement activities.
- **Junior Advocates Program** for middle and high schoolers is designed as a 7-week summer training program that utilizes the You Matter curriculum and also includes a year-round after-school program component and stipends for job time as youth work alongside MJE staff to carry out community outreach and engagement programming.



**Mothers for Justice and Equality, Inc.**  
Notes to Financial Statements - *Continued*  
For the Year Ended December 31, 2014  
with Comparative Totals for 2013

**2. Statement of Significant Accounting Policies**

*Basis of Accounting*

MJE prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

*Net Assets Classification*

Net assets of MJE are classified into three categories. The classifications are related to the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted Net Assets* - net assets that are available for support of operations and not subject to donor-imposed stipulations.
- *Temporarily Restricted Net Assets* - Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of MJE and/or the passage of time. At December 31, 2014, MJE had no temporarily restricted net assets.
- *Permanently Restricted Net Assets* – Net assets subject to donor imposed stipulations that MJE permanently maintain certain contributed assets. Permanent restrictions do not pass with the expiration of time, nor can they be removed through MJE’s actions. At December 31, 2014, MJE had no permanently restricted net assets.

*Grants and Contributions*

Grants and contributions are recognized when a donor makes a promise to give to MJE that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted grants and 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 classified to unrestricted net assets.

Grants and contributions receivable at December 31, 2014 were all due within one year.

*Cash and Cash Equivalents*

MJE considers all highly liquid investments with maturities of three months or less when purchased to be cash and cash equivalents. Cash and cash equivalents also includes cash held by fiscal agent.

*Revenue Recognition*

Program fees are recognized as revenue when earned. Advance payments of program fees are recorded as deferred revenue until earned.

Accounts receivable are presented net of the allowance for doubtful accounts. MJE’s periodic evaluation of the adequacy of the allowance is based on its past loss experience. There were no accounts receivable at December 31, 2014. At Decembers 31, 2013, all outstanding accounts were fully collectible and were collected in 2014.

**Mothers for Justice and Equality, Inc.**  
Notes to Financial Statements - *Continued*  
For the Year Ended December 31, 2014  
with Comparative Totals for 2013

**2. Statement of Significant Accounting Policies - *Continued***

*Fixed Assets*

Purchased fixed assets are carried at cost. Fixed assets are depreciated using the straight-line method over their estimated useful lives. Repairs and maintenance are charged to operations. Betterments, renewals, and purchases of more than \$500 are capitalized.

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, MJE reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. MJE reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation expense for the years ended December 31, 2014 and 2013 was \$7,269 and \$5,036, respectively.

*In-Kind Donations*

MJE receives in-kind donations in support of its operations. Donated materials, facilities and services are recorded at fair value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated are recorded as contributions in the financial statements. Donated services such as fundraising, clerical assistance or other volunteer efforts not requiring specialized skills are not recorded in the financial statements.

*Income Taxes*

MJE is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws and from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Unrelated business income, of which there was none for the years ended December 31, 2014 and 2013, would be subject to Federal and state income taxes.

MJE evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are *more-likely-than-not* to be sustained by the applicable Federal or state authority. MJE has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 2014 returns and believe they are more-likely-than-not to be sustained if examined by Federal or state tax authorities. MJE's 2012 and 2013 tax years remain subject to examination by Federal and state tax authorities.

*Functional Allocation of Expenses*

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

**Mothers for Justice and Equality, Inc.**  
Notes to Financial Statements - *Continued*  
For the Year Ended December 31, 2014  
with Comparative Totals for 2013

**2. Statement of Significant Accounting Policies - *Continued***

*Advertising and Promotion*

Advertising and promotion expenses are expensed when incurred. Advertising and promotion expenses totaled \$2,408 and \$75, respectively, in 2014 and 2013.

*Estimates*

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. In-kind Donations**

MJE received \$8,688 and \$3,469 in donated accounting services for 2014 and 2013, respectively. In addition, MJE receives a substantial amount of contributed services from its members in carrying out its mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under U.S. GAAP.

**4. Lease obligation**

MJE leases office space under a three-year operating lease. The lease expires on February 28, 2015 and offers two one-year options to extend. Subsequent to year end, the lease was extended to February 28, 2016. Rent expense for the year ended December 31, 2014 and 2013 was \$25,026 and \$12,469, respectively.

The following are the minimum payments under the office lease:

<i>December 31,</i>	<i>Amount</i>
2015	\$ 25,026
2016	<u>4,125</u>
Total	<u>\$ 29,151</u>

**5. Temporarily Restricted Net Assets**

Temporarily restricted net assets were all time restricted for use in 2015.

**Mothers for Justice and Equality, Inc.**  
Notes to Financial Statements - *Continued*  
For the Year Ended December 31, 2014  
with Comparative Totals for 2013

**6. Concentrations**

Grants received from four donors in 2014 and 2013 were 29% and 40%, respectively, of MJE's total revenue and support for the years ended December 31, 2014 and 2013. Contracts with the City of Boston represented 100% of government grants and contracts in 2014 and 2013. Grants receivable from one grantor represented 71% and 100%, respectively, of MJE's total grants and contributions receivable balance at December 31, 2014 and 2013.

**7. Cash Held by Fiscal Agent**

MJE applied for tax exemption from federal income taxes in 2011 and received notification of its exemption in 2014. While awaiting approval of its application, MJE entered into a fiscal agent agreement with a nonprofit organization. \$3,514 was being held by the fiscal agent at December 31, 2013. This amount was transferred to MJE in 2014.

**8. Subsequent Events**

MJE has evaluated subsequent events through May 6, 2015, which is the date the financial statements were available to be issued.

Subsequent to year end, MJE was issued a \$50,000 line of credit from Eastern Bank to alleviate cash flow pressures.