



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019



Independent Auditors' Report

Board of Directors
Greater Washington Jewish Coalition Against Domestic Abuse, Inc.
Rockville, MD

Report on the Financial Statements

We have audited the accompanying financial statements of Greater Washington Jewish Coalition Against Domestic Abuse, Inc. ("JCADA"), which comprise the statement of financial position as of June 30, 2019 and the related statements of activities, functional expense 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to JCADA'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 JCADA'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.

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Report on the Financial Statements (Continued)

Auditors' Responsibility (Continued)

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 Greater Washington Jewish Coalition Against Domestic Abuse, Inc. as of June 30, 2019, 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.

Emphasis of Matter

As noted in Note 2 of the financial statements, JCADA adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statement of Not-for-Profit Entities*. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Bethesda, Maryland
November 21, 2019



Certified Public Accountants

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Statement of Financial Position
June 30, 2019**

Assets

Cash and Cash Equivalents	\$	98,982
Grants Receivable		115,625
Notes Receivable		2,500
Prepaid Expenses		15,860
Other Assets		8,334
Cash and Cash Equivalents - Restricted		65,833
Property and Equipment - Net		67,806
Total Assets	\$	374,940

Liabilities and Net Assets

Liabilities

Accounts Payable and Accrued Expenses	\$	63,913
Capital Lease Obligation		6,675
Line of Credit		50,000
Due to Officer		31,000
Deferred Rent		109,989
Total Liabilities		261,577

Net Assets

Without Donor Restrictions		46,876
With Donor Restrictions		66,487
Total Net Assets		113,363
Total Liabilities and Net Assets	\$	374,940

See accompanying Notes to Financial Statements.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Statement of Activities
For The Year Ended June 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, and Other Support			
Contributions	\$ 367,979	\$ 142,300	\$ 510,279
Grants	854,891	-	854,891
In-Kind Contributions	41,731	-	41,731
Program Income	26,610	-	26,610
Other Income	436	-	436
Investment Income	-	-	-
Net Assets Released from Restrictions	90,813	(90,813)	-
Total Revenues, and Other Support	<u>1,382,460</u>	<u>51,487</u>	<u>1,433,947</u>
Expenses			
Program Services			
Client Support	780,587	-	780,587
Prevention	84,617	-	84,617
Education and Outreach	123,603	-	123,603
Total Program Service Expense	988,807	-	988,807
General & Administrative	194,914	-	194,914
Fundraising	62,831	-	62,831
Total Supporting Service Expense	257,745	-	257,745
Total Expenses	<u>1,246,552</u>	<u>-</u>	<u>1,246,552</u>
Change in Net Assets	<u>135,908</u>	<u>51,487</u>	<u>187,395</u>
Net Assets (Deficit), Beginning of Year	(89,032)	15,000	(74,032)
Net Assets (Deficit), End of Year	<u>\$ 46,876</u>	<u>\$ 66,487</u>	<u>\$ 113,363</u>

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Statement of Functional Expenses
For The Year Ended June 30, 2019**

	Client Support	Prevention	Education and Outreach	General & Administrative	Fundraising	Total
Personnel	\$ 512,399	\$ 52,828	\$ 76,660	\$ 115,654	\$ 43,204	\$ 800,745
Professional Fees	115,298	21,379	14,006	47,435	3,619	201,737
Occupancy	72,763	5,787	13,503	7,806	4,823	104,682
Office Expense	30,005	2,468	13,344	13,685	7,974	67,476
Depreciation	14,148	1,267	2,898	1,748	1,056	21,117
Insurance	4,071	258	603	1,995	215	7,142
Advertising	-	-	289	185	-	474
Travel	10,740	630	-	949	400	12,719
Client Expenses	19,919	-	-	-	-	19,919
Bank and Other Fees	1,244	-	-	5,457	1,540	8,241
Other	-	-	2,300	-	-	2,300
Total	\$ 780,587	\$ 84,617	\$ 123,603	\$ 194,914	\$ 62,831	\$ 1,246,552

See accompanying Notes to Financial Statements.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Statement of Cash Flows
For The Year Ended June 30, 2019**

Cash Flows from Operating Activities

Increase (Decrease) in Net Assets	\$	187,395
Adjustments to Reconcile Changes in Net Assets		
To Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization		21,117
Amortization of Deferred Rent		20,663
(Increase) Decrease in Assets		
Grants Receivable		4,474
Prepaid Expenses		(8,280)
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses		<u>(79,179)</u>
Net Cash Provided by (Used in) Operating Activities		<u>146,190</u>

Cash Flows from Investing Activities

Purchases of Property and Equipment		<u>(11,020)</u>
Net Cash Provided by (Used in) Investing Activities		<u>(11,020)</u>

Cash Flows from Financing Activities

Notes Receivable Disbursements		10,300
Payments on Capital Lease Obligations		(3,698)
Payments on Line of Credit		1,000
Proceeds from Line of Credit		(15,000)
Proceeds from Due to Officer		<u>11,000</u>
Net Cash Provided by (Used in) Investing Activities		<u>3,602</u>

Increase (Decrease) in Cash and Cash Equivalents		138,772
Cash and Cash Equivalents, Beginning of Year		<u>26,043</u>
Cash and Cash Equivalents, End of Year	\$	<u>164,815</u>

See accompanying Notes to Financial Statements.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

Notes to Financial Statements June 30, 2019

1. ORGANIZATION

The Greater Washington Jewish Coalition Against Domestic Abuse, Inc. ("JCADA") is a nonprofit organization incorporated under the laws of the state of Maryland in 1999. JCADA's mission is to assist victims of domestic abuse to become empowered and obtain safe environments, educate the Jewish community about domestic abuse and appropriate responses to it, and prevent future generations from suffering domestic abuse by raising awareness.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting.

Adoption of Accounting Standards Update 2014-16

JCADA has adopted *Accounting Standards Update 2014-16, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)* (ASU 2014-16) for the year ended June 30, 2019. This standard was issued by the Financial Accounting Standards Board (FASB) to improve the previous net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. ASU 2014-16 reduces the number of net assets classifications from three to two: with donor restrictions and without donor restrictions. The ASU also requires not-for-profits to report expenses by functional and natural classification in one location in the financial statements and requires not-for-profits to report quantitative and qualitative information about management of liquidity resources and availability of financial assets.

As required by ASU 2014-16, JCADA applied the requirements on a retrospective basis in the year of adoption. As a result, certain amounts presented in the prior year have been reclassified to conform to the new presentation. All amounts previously reported as "Unrestricted net assets" have been reclassified to be presented as "Net assets without donor restrictions." Similarly, all amounts previously reported as "Temporarily restricted net assets" and "Permanently restricted net assets" have been reclassified to be presented as "Net assets with donor restrictions." The changes in net assets have been similarly reclassified. There was no change in total net assets or total change in net assets as a result of the adoption of ASU 2014-16.

The financial statements of JCADA have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which requires JCADA to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of JCADA. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of JCADA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Notes to Financial Statements
June 30, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Standards Update 2014-16 (Continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Restricted Cash

Restricted cash consists of donations received and segregated for the Emergency Assistance Fund and a grant award.

Grants Receivable

Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. JCADA provides for losses on grants receivable using the allowance method. The allowance is based on experience, and other circumstances. Uncollectible accounts receivable are charged off when management determines the receivable will not be collected. Grants receivable are expected to be collected within one year.

Property and Equipment

Property and equipment are capitalized at cost if unit costs exceed \$500. Otherwise the items are expensed when paid, including repairs and maintenance. Depreciation and amortization is computed on the straight-line method over the estimated useful life of the asset.

Revenue Recognition and Grant and Contributions

Revenue is recognized when earned. Program service fees received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Grants and contributions are recognized when cash or an unconditional promise to give is received. Grants and contributions received are recorded as unrestricted or restricted contributions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in restricted net assets, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

In-Kind Contributions

Contributed services are reported at fair value in the financial statements when those services (1) create or enhance non-financial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Notes to Financial Statements
June 30, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. Advertising expenses was \$474 for the year ended June 30, 2019.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, occupancy and office expenses, depreciation, information technology costs, and insurance have been allocated among the programs and supporting services based on employee time and effort.

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 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.

Income Taxes

JCADA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, JCADA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of JCADA and various positions related to the potential sources of unrelated business taxable income (UBIT).

The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities at June 30, 2019.

JCADA's policy would be to recognize interest and penalties, if any, on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. No interest and penalties were assessed or recorded during 2019. Management believes it is no longer subject to income tax examinations for years prior to 2016.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Notes to Financial Statements
June 30, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Upcoming Accounting Pronouncements

In May 2014, the FASB issued a new standard, ASU 2014-09, Revenue from Contracts with Customers, which outlines a single comprehensive standard for revenue recognition across all industries and supersedes most existing revenue recognition guidance. The core principle of the standard is that an entity should recognize revenue when it satisfies a performance obligation at an amount that reflects the consideration the entity expects to receive in exchange for transferring goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard will be effective for the fiscal years beginning January 1, 2019.

In February 2016, the FASB issued ASU 2016-02, Lease Amendments to the FASB Accounting Standards Codification (Topic 842), which amends the recognition of lease assets by organizations. The new standards require a lessee to recognize assets and liabilities for leases with lease terms of 12 or more months, in addition to modifications improvements on lessor accounting, in conjunction with the new guidance on revenue recognition noted above in ASU-2014-09. Additional disclosures will be required for the amount, timing, and uncertainty of cash flows arising from leases, and the standard will be effective for fiscal years beginning January 1, 2021.

Subsequent Events

Management has evaluated subsequent events through November 21, 2019 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

3. CONCENTRATION OF CREDIT RISK

JCADA maintains its cash balances at a financial institution. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. As of June 30, 2019, JCADA's bank balances did not exceed FDIC coverage.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Notes to Financial Statements
June 30, 2019**

4. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2019 was as follows:

Furniture and Equipment	\$	98,699
Software		8,200
Hardware		5,615
Leasehold Improvements		<u>37,988</u>
Less: Accumulated Depreciation and Amortization		<u>(82,696)</u>
	\$	<u>67,806</u>

Depreciation and amortization for the year ended June 30, 2019 was \$21,117.

5. NOTES RECEIVABLE

As of June 30, 2019, JCADA had a non-interest bearing note receivable with an individual. The note receivable has a current balance of \$2,500 and is expected to be repaid by August 2021.

6. LEASE COMMITMENTS

JCADA amended its operating lease for office space in Rockville, Maryland that expires in June 2028. Amending the terms created a deferred lease obligation of \$109,989 as of June 30, 2019. The amended lease includes annual rent escalations.

During the year ended June 30, 2017, JCADA entered into capital lease agreements for a phone system and computer equipment. Terms of the lease agreements call for JCADA to make monthly payments of \$236 for the period of 60 months, and \$156 for the period of 36 months, respectively.

The future minimum payments under the leases are:

	Office	Equipment
2020	\$ 100,008	\$ 4,149
2021	103,008	2,834
2022	106,098	2,125
2023	109,281	-
Thereafter	<u>409,410</u>	<u>-</u>
	<u>\$ 827,805</u>	<u>\$ 9,108</u>

Rent expense under the operating lease for the year ended June 30, 2019 was \$104,682.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Notes to Financial Statements
June 30, 2019**

7. LINE OF CREDIT

JCADA has available a secured \$65,000 working line of credit with Eagle Bank, expiring on May 24, 2020. The line calls for monthly interest payments based upon the Wall Street Journal U.S. Prime Rate ("Index") plus 1.5 percentage points.

At June 30, 2019, the interest rate was 7%. As of June 30, 2019, the outstanding balance on this line of credit was \$50,000. The line is secured by JCADA's assets. Management believes that JCADA is compliant with its loan covenants.

8. DUE TO OFFICER

During the year ended June 30, 2019, JCADA had a \$31,000 loan from an Officer of the Board. No interest is due on the loan. The Officer has pledged to forgive the loan in fiscal year 2020.

9. NET ASSETS

Net assets with donor restrictions as of June 30, 2019 were as follows:

	Beginning of Year	Contributions	Releases	End of Year
Victims of Domestic Violence	\$ 15,000	\$ 15,000	\$ (12,000)	\$ 18,000
Preside	-	82,300	(78,813)	3,487
AWARE	-	45,000	-	45,000
Total Purpose Restricted	15,000	142,300	(90,813)	66,487
Time Restricted	-	-	-	-
	\$ 15,000	\$ 142,300	\$ (90,813)	\$ 66,487

Net assets without donor restrictions as of June 30, 2019 were undesignated.

10. CONTINGENCIES

From time to time, JCADA may become involved in legal claims arising in the ordinary course of its activities. In the opinion of management, the outcome of any legal proceedings would be covered by JCADA's insurance policies subject to normal deductibles, and accordingly, would not have a material effect on its financial position or changes in net assets.

Greater Washington Jewish Coalition Against Domestic Abuse, Inc.

**Notes to Financial Statements
June 30, 2019**

11. AVAILABILITY AND LIQUIDITY

The following represents JCADA's financial assets at June 30, 2019:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 164,815
Grants Receivable	<u>115,625</u>
Total Financial Assets	280,440
Less Amounts Not Available To Be Used Within One Year:	
Net Assets With Donor Restrictions	66,487
Less: Net Assets With Purpose Restrictions To Be Met in Less Than a Year	(66,487)
Quasi Endowment Established by the Board	<u>-</u>
	<u>-</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 280,440</u>

As part of JCADA's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.

JCADA has also has a \$65,000 working line of credit with Eagle Bank. As of June 30, 2019, there is \$15,000 of borrowing capacity on the line of credit.