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In 2015-2016, Justice Initiatives (JI) made great strides toward preserving and improving our court system. As a non-profit organization and a voice for the North Carolina Justice Branch, we used more than a decade’s worth of experience to continue to progress and advance in familiar and new territories. With the addition of a new part-time Program Coordinator and ever-growing support, JI has reached new heights. Above all, we continued the relentless pursuit of our mission: to educate, advocate, support, and advance the Mecklenburg County courts.

We educate the community with our judicial candidate forums, our town hall meetings and by once again holding our one of kind Court Camp program for high school students interested in the law and administration of justice. Additionally, we sponsored Juror Appreciation Month, which allowed us to not only show our gratitude to the jurors that served, but also to teach the public about our court system. Also, we participated in UNC Charlotte’s Criminal Justice Career Fair, as well as in the Queens University Schmoozapalooza where we educated, networked, and recruited talented men and women for JI.

We advocate in nearly everything we do. We contacted and networked with government officials and utilized social media outlets like Twitter, Facebook, Instagram, and LinkedIn. Additionally, representatives from JI reached out to media and news outlets to help them accurately inform their readers about the impact of current events on our courts. Our focus has mainly been on court funding and issues that threaten the independence of the judicial branch.

The financial support we provided this year was used to jumpstart and sustain judicial programs and initiatives that build community trust and confidence in our court system. Larry King’s Clubhouse for child care and the Drug Treatment Courts were just two of the many recipients. We also supported National Adoption Day, which is a joyous event open to the public that improves the relationship between the courts and the community.

Finally, we advance the justice system by initiating services that enhance the Court’s ability to assist the people of Mecklenburg County. With a more advanced Court Calendar program, lawyers can now schedule and manage their cases in a timelier manner for their clients. Also, the I-CAN! self-help legal forms have been expanded further to allow people to work through court’s maze of procedures more efficiently.

One of the highlights of the year was our flagship fundraiser, Evening at the Courthouse, which was our most successful fundraiser to date. It provided new experiences to supporters while developing the relationship between our community and the courts. Additionally, we are excited to announce that we are finalizing our organization’s first expansion. JI will soon be pursuing its mission in NC Judicial District 15B (Orange County and Chatham County). We hope and anticipate that other judicial districts throughout NC will soon follow suit, giving JI’s mission a larger and more effective footprint.

On a more personal note, this will be my final message as Chair of JI. I have served on the JI board since 2007 and as its Chair since 2013. I have had the great pleasure and privilege of working with a deeply committed and talented team of fellow board members who have pushed the organization to heights many may not have thought possible. I leave with a sense of pride and satisfaction in what we have accomplished and the knowledge and comfort that JI is now in the hands of extremely caring, committed and talented board members whom, I am sure, will take JI to the next level.
This summer, JI supported the 26th Judicial District in offering its Court Camp program. Court Camp is a week long educational program for students aged 14-18 considering a legal system related career and/or who would like to learn more about the North Carolina judicial system. Offered four times this fiscal year, Court Camp participants experienced behind-the-scenes tours of the Mecklenburg County Courthouse, Mecklenburg County Jail, Charlotte Mecklenburg Police Department’s Crime Lab, the Charlotte School of Law, and the Parker Poe law firm.

Court Camp participants meet and interact with key courthouse personnel including judges, attorneys, court reporters, interpreters, and clerks. They observe live criminal and civil trials, and participate in a mock crime scene and a mock trial. The program curriculum also includes guest speakers, videos, field trips, and concludes with a graduation ceremony on the last day, at which parents are invited to attend.

Through Court Camp, JI assists in providing youth a means to pique their interest in the justice system, planting seeds to cultivate a new generation of legal and justice system professionals.
JI, again, proudly sponsored Juror Appreciation Month this year to help educate the community about the judicial system, enhance public awareness of the importance of jury service, and show appreciation to citizens who perform their civic duty.

Those who serve in the month of July hear special presentations from judges, court reporters, K-9 deputies who help protect the courthouse, and other court officials. This year, representatives from JI made a direct presentation to the jurors regarding the work of the organization.

JI provides funding for refreshments, prize-drawings, as well as newspapers, magazines, and Netflix movies to help entertain jurors during their time spent in the Juror Assembly Room throughout the year.
JI was invited by the UNC-Charlotte chapter of Alpha Phi Sigma (the National Criminal Justice Honor Society) to attend their campus Criminal Justice Career Fair. We had the opportunity to share JI’s mission and purpose with some bright students interested in law and justice. We were able to invite students to consider the benefits of applying to participate in our internship program.

We also had the privilege of participating in the second annual Queens University of Charlotte “Schmoozapalooza” Networking Event. This affair brings together students, employers, and alumni of Queens to both learn about and share employment, volunteer and internship opportunities as well as general information about a variety of organizations.

Our participation in these events serve to strengthen connections with local academic institutions, to increase our exposure within the university community, to explore potential partnerships, and to interact with a talented pool of future advocates.

These college outreach events were equally great opportunities to tailor our messaging, inspire a younger generation, and to encourage their consideration of careers in justice system sectors where they are poised to have positive impact for many years to come.
Each year, we have welcomed a crop of savvy interns to accomplish the important work that JI does. This year, we offered our first orientation session which covered the constitutional role, organization and structure of the NC court system, as well as an overview of programs and services found within the 26th Judicial District (Mecklenburg County). Interns were informed about the different ways that the non-profit interacts with the court system, how their talents, skills and abilities strengthen the relationship, and advance the mission of the organization.

Our interns also learned about the genesis of the organization, its development, the uniqueness of the organization and its innovative approach to raising social awareness regarding the critical role the justice system plays in determining the quality of life within our communities. They received an overview of their duties, a tour of the courthouse, participated in a team-building exercise, and were treated to lunch at the Courtside Café as well as some JI promotional items.

We look forward to continuing this new tradition to increase collegiality among the interns, as well as affinity for the larger societal concerns of defending fair, independent, and impartial courts.
Advocating is an integral part of everything JI does. Our mission is to ensure the maintenance of a healthy court system to safeguard the rule of law under our democratic form of government and to demonstrate how a strong, prosperous and vibrant community is inextricably tied to a fair, impartial and independent justice system. Examples of issues we have addressed over the last fiscal year include:

- Legislation Threatening Judicial Independence
- Inadequate Court Funding
- Inadequate Court Employee Compensation
- Technological Enhancements for Improving the Administration of Justice

This year, we focused our advocacy efforts on contacting media to help elevate the public’s attention to the consequences of lessening court funding and threats to judicial independence. As a result of these efforts, we had a number of opinion pieces published in the Charlotte Observer.

Coupled with these opinion pieces, we also posted Advocacy Fact Sheets on our website and reached out directly to our legislators through phone calls, emails and personal visits.

We also focused on how to disseminate targeted and poignant advocacy messages via social media outlets, such as Facebook, Twitter, Instagram, and LinkedIn.
Our Grant Program has been in place since Spring 2008. JI has provided grants from $300.00 to $13,350.00—consistently about 25% of our annual budget—to fund programs and services aligned with our mission to educate the public about the judicial branch and to enhance its effectiveness and operations to the public’s benefit. The 2015 Grant recipients follow:

<table>
<thead>
<tr>
<th>Grant Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug Treatment Court Mecklenburg County S.T.E.P. Program</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Funding was provided to purchase incentives for program participants’ compliance with treatment.</td>
<td></td>
</tr>
<tr>
<td>Permanency Mediation Laptop</td>
<td>$300.00</td>
</tr>
<tr>
<td>Funding was provided to replace a 15-year old laptop used for achieving the placement of children in stable and caring homes.</td>
<td></td>
</tr>
<tr>
<td>Courthouse Employee Development, Recognition &amp; Wellness</td>
<td>$13,350.00</td>
</tr>
<tr>
<td>Funding was awarded for employee continuing education, membership in professional associations, team building training, and wellness activities to promote a healthier workforce.</td>
<td></td>
</tr>
<tr>
<td>Equipment for the Larry King’s Clubhouse</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Funding was provided for purchases of age appropriate materials and equipment which provide for a safe, secure and enriching environment for children.</td>
<td></td>
</tr>
<tr>
<td>Juror Appreciation Month &amp; Annual Amenities for Jurors</td>
<td>$9,390.00</td>
</tr>
<tr>
<td>Funding was provided for the annual Juror Appreciation Month held in July to thank jurors for their service, and for movies, newspapers, and magazines for the Jury Assembly Room.</td>
<td></td>
</tr>
<tr>
<td>National Adoption Day</td>
<td>$1,663.86</td>
</tr>
<tr>
<td>Funding was awarded to support this year’s ceremony for children and their families whose adoptions are finalized from the past 12 months. Attendees enjoy special activities and a court session to celebrate family inclusion.</td>
<td></td>
</tr>
</tbody>
</table>
Larry King’s Clubhouse, the onsite childcare and play center at the Mecklenburg County Courthouse, serves as a safe haven from the courtroom where children could be subjected to potentially harmful and disturbing testimony. The clubhouse offers quality care, at no charge, which includes developmentally and culturally appropriate activities, on all days that the Court is in operation. Children who are checked in to the Clubhouse are able to participate in fun and engaging activities such as art, reading, dramatic play, blocks, puppets, technology, music and science while their family members are conducting business at the courthouse or serving as jurors.

The Clubhouse offers emergency child care for members of the Bar, allowing attorneys appearing in court to have back-up childcare provided if needed. The clubhouse is open to kids from age six weeks to 12 years old from 8:00 a.m. to 5:00 p.m. JI is proud to continue supporting the day-to-day material needs of the Clubhouse to ensure that the children who visit have diapering items, snacks, and the security they need.
In conjunction with the Mecklenburg County Department of Social Services - Youth and Family Services Division, the Mecklenburg County Guardian ad Litem's office, and the Mecklenburg County Juvenile Justice System, we were once again happy to support National Adoption Day.

This celebration of bringing families together through foster care and private adoptions happens each November. Any families that received their adoption decrees during the past year are invited to participate and honored at the event. The celebration was open to the public, and the community was invited to attend and participate in the variety of games and activities.
JI continues to provide financial support for Mecklenburg County’s innovative and non-traditional court-sponsored programs aimed at stopping the cycle of alcohol and substance abuse related criminal activity. These programs offer individuals an alternative to incarceration. Participants are held accountable for their behavior with a holistic approach in a rehabilitative environment.

JI funds were awarded to provide incentives to those who made positive strides in their recovery and to ensure a wide array of pro-social activities were available to clients.

S.T.E.P’s services include the Mental Health Court, providing offenders with the support programs to cope with their illness and learn how to lead healthy lives. These services are also linked to the Families In Recovery to Stay Together Program and Youth Treatment Court, designed to assist parental guardians and children with substance abuse or mental health issues.

JI's funding for these alternative treatment plans stops the revolving door for re-offenders by attacking the underlying issues contributing to their criminal activity. It also accomplishes such in a smarter and more cost-effective manner.
Justice Initiatives held its Tenth Annual flagship fundraiser, Evening at the Courthouse (EATC), on April 26th at the Mecklenburg County Courthouse. Many distinguished court officials attended EATC, including members of the NC Supreme Court, NC Court of Appeals, NC Superior Court, and NC District Court. They were joined by other prominent state and local elected officials, along with leading members of the Mecklenburg County Bar and the entire community. The event resulted in our highest fundraising total to date at over $84,000.

Over 200 guests had the pleasure of sampling food, beverages and desserts from some of Charlotte’s finest dining establishments. For the first time, we had a special VIP culinary tasting pre-event feature for our largest donors by the KRE8 Experiences team. The silent auction featured items ranging from sports memorabilia to dining experiences and local art. Another novelty this year was a live auction hosted by Mr. Perry of Perry’s Fine Jewelry, which in part raised scholarship funds for Court Camp.

The occasion allowed us to raise awareness and record support for the important work JI does in a warm, welcoming and festive atmosphere.
JI sponsored the Fifth Annual Legal Eagle Charity Golf Fundraiser at the Verdict Ridge Golf and Country Club, where leading business and legal professionals network and engage in good-spirited competition.

Net proceeds from the event benefitted JI and the Mecklenburg Bar Foundation’s support of organizations/projects with a legal nexus in our community. Recipients of funding this year included Legal Services of Southern Piedmont, Legal Aid of North Carolina and the Council for Children's Rights.

A special thank you is extended to all our participants, sponsors, and volunteers. We also want to acknowledge our partners at the Mecklenburg County Bar and Mecklenburg Bar Foundation for their efforts in helping to plan what has become a premier networking event.
We are now a registered charity with BeautyKind and continue to be listed as an Amazon Smile beneficiary. Both of these vendors will donate a percentage of the sale price of items that individuals purchase to JI when designated as their charity of choice.

The entities create new sources of funding for JI, while requiring minimal effort in that supporters participate in activity that they normally would by shopping for items of interest to them. They provide a fun and familiar way to garner initial interest for our brand and mission.

For several years, we have partnered with one of the region’s largest and prominent retailers to bring attention, awareness and resources to our nonprofit through the Semi-Annual Belk Charity Sale.

Participating non-profits like JI are able to sell tickets to this private, four-hour sale and all of the proceeds from the ticket sales go directly to supporting our mission.

We were also able to have time onsite at a Belk store to share with members of the public about our mission and work. Each ticket sold and every volunteer hour committed provides financial support for our efforts to educate the public, and to advocate, support and advance the court system’s needs and interests.
EATC FINANCIAL SPONSORS

Supreme Sponsors
Core Properties
Moore & Van Allen, PLLC
North Carolina Lawyers Weekly
Secunda Donor Advised Fund
Wilson Family Foundation

Superior Sponsors
Anuvia Prevention and Recovery Center
Conrad Trosch & Kemmy, P.A.
Custom Polymers, Inc.
Dilworth Center for Chemical Dependency
Hamilton Stephens Steele & Martin, PLLC
Huseby Court Reporting
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King & Spalding LLP
Nexsen Pruet, LLC
Parker Poe Adams & Bernstein LLP
Sodoma Law, P.C.

Appellate Sponsors
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Robinson Bradshaw & Hinson, P.A.
Wells Fargo
Womble Carlyle Sandridge & Rice, LLP

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Knox, Brotherton, Knox & Godfrey
Pedigo Law Firm, PLLC
Poyner & Spruill, LLP
Mary A. Strong & Sarah T. Emery

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Richard Stephens
Rebecca Lindensmith
Rebecca Tin
Stewart Marketing
Theo Nixon
Charles E. Johnson
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Wyatt & Blake, LLP

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Anita Blowers
Paulina Havelka
Steven Mahan & Suzanne Shonkwiler
Sonya Pfeiffer & David S. Rudolf
Nancy Roberson
Robert & Ingrid Ward
Wyatt & Blake
Robert Lutz
EATC RESTAURANT/DESSERT SPONSORS

- Chima Brazilian Steakhouse
- Rooster’s Wood Fired Kitchen
- Neet’s Sweets
- Tupelo Honey Cafe
- Ensō Asian Bistro & Sushi Bar
- Fahrenheit
- Smash Burger
- Suárez Bakery
- Enderly Coffee
- The Mandrake Small Plates + Wine
- Nothing Bundt Cakes
- Sunflour Baking Company
- Dresler’s Restaurant
- Fern Flavors from the Garden
- Amélie’s...a French Bakery
JI continues to offer self-help forms through the I-CAN! Website, developed by JI in partnership with the Family Court Division of the Trial Court Administrator’s Office.

I-CAN! is a web-based program designed to provide convenient and effective access to vital legal services for lower income litigants who are representing themselves.

Litigants can complete forms online for divorce, name-change, child custody and visitation, non-parent child custody, modification of child custody or visitation, and contempt actions. I-CAN! modules create properly formatted pleadings, ensure the completeness of the documents and educate users on the procedural steps needed to pursue their matter appropriately. The existing system has proven to be very popular.

The cost associated with completing and downloading a form from each module is just $25. The net income generated from the software is reinvested into additional services that build public trust and confidence in the court system.
Mecklenburg County Bar members continue to have online access to Superior Civil and District Civil calendars through our web-based, interactive application, CourtCalendar 2.0. Attorneys and their paralegals can view calendars and post information regarding settlements and general status reports on specific cases. All parties involved in a particular case can track developments on the calendar and prepare accordingly.

Attorneys can subscribe to receive emails each time there is an update about any cases listed on the calendar. Better informed and prepared counsel allows for more efficient use of court time and more satisfied litigants. The application was developed by JI in partnership with the Trial Court Administrator’s Office and is hosted on the JI website: www.justiceinitiatives.org/courtcal.
Justice Initiatives, Inc. selected the winners of the 2016 Justice Initiatives Award from the Criminal Justice and Criminology Department at UNC Charlotte. This year’s award recipients are Keely Crouch (Undergraduate) and Emily Luc (Graduate).

**Keely Crouch** is from Philadelphia and graduated in May 2016. She studied Criminal Justice with a minor in Psychology and Sociology, and was the president of Alpha Phi Sigma, the National Criminal Justice Honor Society. She was also a part of eight other campus organizations. She plans to attend law school and practice child advocacy and family law.

**Emily Luc** is a graduate student in the Criminal Justice and Criminology Department working on her thesis, which includes running a latent class analysis on serial murderers. She has a wide range of research interests from policing and corrections to victimology. She plans to graduate in August 2016 and hopes to work in the field before pursuing a Doctorate.
Each year, JI presents the Raising the Bar Award to honor a court employee who has made a significant and notable contribution to the advancement of the Mecklenburg County Court system. The type of contribution made varies and can be related to performance, leadership, innovation, advocacy, public education or another meritorious area related to the public good.

The JI Board of Directors determines the relevancy, the level of importance and the degree to which each contribution has made a difference. The winner receives a check for $1,000, a plaque in recognition of their accomplishments, and their name listed in a registry of past winners.

Lawyers Weekly representative Kate McClain presented Melissa Beio, Deputy Courtroom Clerk in Civil 6330, with the Raising the Bar Award at the tenth annual Evening at the Courthouse event.

Closely considering the intricacies of district court and noting practices that caused delays, Ms. Beio identified solutions that were included among the most recent revised local civil rules. Ms. Beio well represents all of Mecklenburg County’s excellent courtroom clerks, and her contributions have helped improve the court’s functioning for judges, lawyers and litigants.
INDEPENDENT AUDITORS’ REPORT

C. DeWitt Foard & Company, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
817 East Morehead Street Suite 100
Charlotte, North Carolina 28202
Telephone: 704-372-1515 Facsimile: 704-372-6066

INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of
Justice Initiatives, Inc.
Charlotte, North Carolina

We have audited the accompanying financial statements of Justice Initiatives, Inc. (the “Organization” - a nonprofit corporation), 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 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 in the first paragraph present fairly, in all material respects, the financial position of Justice Initiatives, Inc., as of 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.

Report on Summarized Comparative Information
We have previously audited the Organization’s 2015 financial statements, and our report dated December 1, 2015, expressed an unmodified opinion on those financial statements. In our 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.

December 6, 2016
## JUSTICE INITIATIVES, INC.

**Statement of Financial Position**  
June 30, 2016, with prior year comparative totals

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$139,327</td>
<td>$218,873</td>
</tr>
<tr>
<td>Investments</td>
<td>114,840</td>
<td>-</td>
</tr>
<tr>
<td>Unconditional promises to give</td>
<td>22,390</td>
<td>10,400</td>
</tr>
<tr>
<td>Sales tax receivable</td>
<td>647</td>
<td>907</td>
</tr>
<tr>
<td>Prepaid</td>
<td>6,333</td>
<td>2,481</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$283,537</strong></td>
<td><strong>$232,661</strong></td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET ASSETS** | | |
| Liabilities:                  | | |
| Accounts payable              | $5,545       | $2,987       |
| Funds held for unrelated organizations | 60,527 | 46,971 |
| **Total Liabilities**         | **66,072**   | **49,958**   |
| Net Assets:                   | | |
| Unrestricted:                 | | |
| Designated                    | 18,535       | 17,630       |
| Undesignated                  | 152,071      | 113,892      |
| **Total Unrestricted Net Assets** | **170,606** | **131,522** |
| Temporarily restricted         | 46,859       | 51,181       |
| **Total Net Assets**          | **217,465**  | **182,703**  |
| **TOTAL LIABILITIES AND NET ASSETS** | **$283,537** | **$232,661** |
# JUSTICE INITIATIVES, INC.

**Statement of Activities**

**Year Ended June 30, 2016, with prior year comparative totals**

<table>
<thead>
<tr>
<th></th>
<th>Year ended June 30, 2016</th>
<th>Prior Year Comparative Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Temporarily Restricted</td>
</tr>
<tr>
<td>SUPPORT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$22,781</td>
<td>$3,800</td>
</tr>
<tr>
<td>Fundraising (net of $4,689 direct benefit)</td>
<td>87,191</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>558</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>(161)</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from restrictions by payment</td>
<td>8,122</td>
<td>(8,122)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>118,491</strong></td>
<td><strong>(4,322)</strong></td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>62,017</td>
<td>-</td>
</tr>
<tr>
<td>Management and general</td>
<td>6,361</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising</td>
<td>11,029</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>79,407</strong></td>
<td>-</td>
</tr>
<tr>
<td>CHANGE IN NET ASSETS</td>
<td><strong>39,084</strong></td>
<td><strong>(4,322)</strong></td>
</tr>
<tr>
<td>NET ASSETS, BEGINNING</td>
<td><strong>131,522</strong></td>
<td>51,181</td>
</tr>
<tr>
<td>NET ASSETS, ENDING</td>
<td><strong>$170,606</strong></td>
<td><strong>$46,859</strong></td>
</tr>
</tbody>
</table>
## JUSTICE INITIATIVES, INC.

**Statement of Functional Expenses**

**Year Ended June 30, 2016, with prior year comparative totals**

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>TOTALS</th>
<th>Prior Year Comparative Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant expense</td>
<td>$36,581</td>
<td>$ -</td>
<td>$ -</td>
<td>$36,581</td>
<td>$30,842</td>
</tr>
<tr>
<td>Payroll and related expenses</td>
<td>8,152</td>
<td>2,190</td>
<td>1,825</td>
<td>12,167</td>
<td>4,376</td>
</tr>
<tr>
<td>Professional fees</td>
<td>9,802</td>
<td>2,012</td>
<td>1,549</td>
<td>13,363</td>
<td>9,003</td>
</tr>
<tr>
<td>Office expenses</td>
<td>3,117</td>
<td>398</td>
<td>267</td>
<td>3,782</td>
<td>8,879</td>
</tr>
<tr>
<td>Meals and entertainment</td>
<td>-</td>
<td>-</td>
<td>10,254</td>
<td>10,254</td>
<td>338</td>
</tr>
<tr>
<td>Insurance</td>
<td>975</td>
<td>1,644</td>
<td>838</td>
<td>3,457</td>
<td>3,042</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>250</td>
<td>18</td>
<td>-</td>
<td>268</td>
<td>130</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>815</td>
</tr>
<tr>
<td>Website development</td>
<td>2,253</td>
<td>-</td>
<td>-</td>
<td>2,253</td>
<td>4,162</td>
</tr>
<tr>
<td>Postage</td>
<td>887</td>
<td>99</td>
<td>985</td>
<td>1,971</td>
<td>1,941</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>62,017</strong></td>
<td><strong>6,361</strong></td>
<td><strong>15,718</strong></td>
<td><strong>84,096</strong></td>
<td><strong>63,528</strong></td>
</tr>
</tbody>
</table>

Less - Special Events Costs

Deducted from Revenue | - | - | 4,689 | 4,689 | 4,897 |

**NET EXPENSES**      | **$62,017** | **$6,361** | **$11,029** | **$79,407** | **$58,631** |
JUSTICE INITIATIVES, INC.
Statement of Cash Flows
Year Ended June 30, 2016, with prior year comparative totals

<table>
<thead>
<tr>
<th></th>
<th>June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 34,762</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets to net cash flows from operating activities:</td>
<td></td>
</tr>
<tr>
<td>Loss on investments</td>
<td>1,422</td>
</tr>
<tr>
<td>Decrease (increase) in operating assets:</td>
<td></td>
</tr>
<tr>
<td>Unconditional promises to give</td>
<td>(11,990)</td>
</tr>
<tr>
<td>Prepays</td>
<td>(3,852)</td>
</tr>
<tr>
<td>Sales tax receivable</td>
<td>260</td>
</tr>
<tr>
<td>Increase (decrease) in operating liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,558</td>
</tr>
<tr>
<td>Funds held for unrelated organizations</td>
<td>13,556</td>
</tr>
<tr>
<td><strong>Cash Flows From Operating Activities</strong></td>
<td><strong>36,716</strong></td>
</tr>
</tbody>
</table>

|                                 |        |        |
| **INVESTING ACTIVITIES**        |        |        |
| Purchase of investments         | (116,262) | (23)  |
| Proceeds from redemption of certificate of deposit | - | 61,738 |
| **Cash Flows from Investing Activities** | **(116,262)** | **61,715** |

|                                 |        |        |
| **NET CHANGE IN CASH**          | (79,546) | 108,325 |
| **CASH, BEGINNING**             | 218,873 | 110,548 |
| **CASH, ENDING**                | $ 139,327 | $ 218,873 |
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
Justice Initiatives, Inc. is a North Carolina not-for-profit corporation that was formed in 2004. The purpose of the Organization is to advance reforms related to the 26th Judicial District of North Carolina including organization, structure, and administration; to educate and advocate regarding the needs of the court system offices and programs within the 26th Judicial District; to receive, hold and disburse funds donated by individuals, foundations, corporations, and governmental entities that are earmarked for particular offices, programs, or services within the 26th Judicial District; and to support fundraising activities for the court system offices and programs within the 26th Judicial District.

Basis of presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2016, the Organization had no permanently restricted net assets.

Contributions
The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 services and goods
Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included in support at fair value. During the year, the Organization recorded no contributed services or donated equipment.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. No amounts have been reflected in the financial statements for these contributions as the contributions are either insignificant or do not meet the criteria for recognition.

Income taxes
The Organization is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code and is classified as an entity which is not a private foundation.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Use of estimates
The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional expenses
Expenses are allocated to program services, management and general, and fund raising based on management’s estimates of time spent and various allocation methods appropriate to the type of expense.

Prior-year comparative totals
The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization’s 2015 financial statements, from which the summarized information was derived. Also, certain amounts shown as prior-year comparative totals have been reclassified to conform to the current-year presentation.

NOTE 2 – RECEIVABLES

Unconditional promises to give are recorded at fair value and recognized when the donor makes a promise to give funding to the Organization. Receivables are shown with no allowance for doubtful accounts since all amounts are expected to be collected during the subsequent fiscal year.

NOTE 3 - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Justice Initiative’s investments are all classified as Level 1 assets.
JUSTICE INITIATIVES, INC.

Notes to Financial Statement
June 30, 2016

NOTE 4 - INVESTMENTS

Investments
Investments are reported at fair value in accordance with generally accepted accounting principles. The Organization’s Investment balance consist entirely of mutual funds. Investment loss of $161 consists of interest and dividends of $1,261 and net of unrealized losses of $1,422.

NOTE 5 – FUNDS HELD FOR UNRELATED ORGANIZATIONS

The accompanying statement of financial position reflects a liability for the funds held by the Organization for the benefit of other unrelated organizations. The amount held at year-end is comprised of the following:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race Matters Juvenile Justice</td>
<td>$36,913</td>
</tr>
<tr>
<td>Court Camp</td>
<td>$10,599</td>
</tr>
<tr>
<td>Cardinal Innovations</td>
<td>$4,363</td>
</tr>
<tr>
<td>Clerk of Court</td>
<td>$3,171</td>
</tr>
<tr>
<td>Case Flow Management</td>
<td>$1,475</td>
</tr>
<tr>
<td>Others ($1,000 or less each)</td>
<td>$4,006</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$60,527</strong></td>
</tr>
</tbody>
</table>

NOTE 6 – NET ASSETS

Board designated
Board designated net assets represents amounts that have been set aside by Justice Initiatives for specific purposes but are not restricted by donors. The balance in designated net assets as of June 30, 2016 consists of the following:

Board designated net assets are as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Development</td>
<td>$7,718</td>
</tr>
<tr>
<td>Juror Appreciation</td>
<td>$6,203</td>
</tr>
<tr>
<td>Mecklenburg County STEP program</td>
<td>$1,767</td>
</tr>
<tr>
<td>Others (less than $1,000 each)</td>
<td>$2,847</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$18,535</strong></td>
</tr>
</tbody>
</table>
NOTE 6 – NET ASSETS continued

Temporarily restricted
At June 30, 2016, the Organization held the following amounts, which were restricted to be used for specific purposes:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Court forms</td>
<td>$42,109</td>
</tr>
<tr>
<td>Larry King Clubhouse</td>
<td>2,500</td>
</tr>
<tr>
<td>Social Justice Initiative</td>
<td>1,000</td>
</tr>
<tr>
<td>Race Matters for Juvenile Justice</td>
<td>1,000</td>
</tr>
<tr>
<td>Drug Court</td>
<td>250</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$46,859</strong></td>
</tr>
</tbody>
</table>

NOTE 7 – CONCENTRATIONS OF RISK

Revenue
The Organization received the majority of its funding from one special event. Any significant reduction in funding from this event, if this were to occur, could have a significant effect on the Organization’s programs and activities.

Geographic area
The Organization operates in a small geographic area, and therefore is sensitive to changes in the local economy.

NOTE 8 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors’ report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.
New JI Branding and Web Development

Expanding Partnerships with Private and Public Entities

Board Expansion

Judicial Policy Research Center

Expansion into New Judicial Districts

JI is excited about the future as we continue to expand into new frontiers. We expect in the coming year to better serve JI constituents through more modern and user-friendly engagement. This will include a new logo, an adaptive website for desktop and mobile use, and updates to our CourtCalendar application to make it the best version yet.

We are excited to begin a partnership with the Senior Community Service Employment Program (SCSEP) to host new trainees, many considering their second careers, to prepare them for potential opportunities within the Judicial Branch.

With several board members who have faithfully served JI for a number of years stepping down, we are thankful for their tireless service. We are also thrilled at the opportunity to welcome several new members into the fold through our targeted recruitment efforts.

As a way of continually elevating the public's thoughts and focus on matters important to preserving the integrity of our courts, we are working to establish a Judicial Policy Research Center. Such a Center would engage the brightest minds from academia in identifying and applying evidence based-practices within our courts and for developing a set of accreditation standards which would elevate the administration of justice throughout the state and nation. We are seeking funding for this effort, and are in talks with local universities about this undertaking.

We are also excited to announce that JI will expand into North Carolina Judicial District 15B, Orange and Chatham Counties. This a big step towards spreading our message throughout North Carolina, realizing our vision, and raising awareness of the needs of the courts. We also anticipate this expansion swiftly opening the doors to other districts.
Thomas D. Myrick, Chair  
Anthony G. Scheer, Vice-Chair  
Anita Blowers, Ph.D., Secretary  
Billy A. Wilson, Treasurer  
Russell A. Brinson  
Carolyn Dubay  
Gonzalo E. Frias  
Scott Harris  
Mary H. Howerton  
Jonathan C. Krisko  
Paul Meggett  
Dennis Milligan  
Nicole Sodoma  
Reginald Tuggle  
Thomas G. Walker  
Moore & Van Allen, PLLC  
Rawls, Scheer, Foster & Mingo, PLLC  
UNC Charlotte  
Philanthropist  
McNair Law Firm, P.A.  
Charlotte School of Law  
Duke Energy Corporation  
Choate Construction  
Mary Howerton Consulting, Inc.  
Robinson, Bradshaw & Hinson, P.A.  
Charlotte School of Law  
WBTV, Channel 3 News  
Sodoma Law, P.C.  
Nassau Community College  
Alston & Bird, LLP

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Twitter: @JI_ORG
LinkedIn: http://www.linkedin.com/in/justiceinitiativesinc  
Instagram: @justiceinitiatives

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administration@justiceinitiatives.org

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