

**V-DAY**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2015 AND 2014**

# V-DAY

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
V-Day

We have audited the accompanying financial statements of V-Day (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 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 V-Day as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Lotz + Carr, LLP*

New York, New York  
April 21, 2016

## V-DAY

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 5)	\$2,713,469	\$4,539,905
Unconditional promises to give (Notes 1c and 3)		
Restricted for future programs and periods	2,000,000	3,961,588
Note receivable (Note 6)	165,155	160,000
Prepaid expenses and other current assets	38,744	38,179
Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4)	<u>767,153</u>	<u>443,927</u>
<b>Total Assets</b>	<u><u>\$5,684,521</u></u>	<u><u>\$9,143,599</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 193,149	\$ 74,141
Grants payable (Note 1f)	<u>33,333</u>	<u>118,333</u>
Total Liabilities	<u>226,482</u>	<u>192,474</u>
Net Assets		
Unrestricted	2,911,936	3,097,533
Temporarily restricted (Note 2)	<u>2,546,103</u>	<u>5,853,592</u>
Total Net Assets	<u>5,458,039</u>	<u>8,951,125</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$5,684,521</u></u>	<u><u>\$9,143,599</u></u>

See notes to financial statements.

## V-DAY

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Changes in Unrestricted Net Assets</b>						
Revenue and Other Support						
Contributions						
Individual support	\$ 588,674	\$ 134,330	\$723,004	\$ 1,289,417	\$ -	\$1,289,417
Corporate support	63,480	6,172	69,652	170,212	-	170,212
Foundations (Note 3)	692,318	346,247	1,038,565	2,420,547	3,534,092	5,954,639
Special events	1,940	-	1,940	3,533	-	3,533
Investment income	7,345	-	7,345	2,673	-	2,673
Other revenue	11,976	-	11,976	22,433	-	22,433
	<u>1,365,733</u>	<u>486,749</u>	<u>1,852,482</u>	<u>3,908,815</u>	<u>3,534,092</u>	<u>7,442,907</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	<u>3,794,238</u>	<u>(3,794,238)</u>	<u>-</u>	<u>2,161,547</u>	<u>(2,161,547)</u>	<u>-</u>
Total Revenue and Other Support	<u>5,159,971</u>	<u>(3,307,489)</u>	<u>1,852,482</u>	<u>6,070,362</u>	<u>1,372,545</u>	<u>7,442,907</u>
Expenses						
Program Services	<u>4,941,937</u>	<u>-</u>	<u>4,941,937</u>	<u>5,397,499</u>	<u>-</u>	<u>5,397,499</u>
Supporting Services						
Management and general	298,020	-	298,020	471,515	-	471,515
Fundraising	105,611	-	105,611	299,387	-	299,387
Total Supporting Services	<u>403,631</u>	<u>-</u>	<u>403,631</u>	<u>770,902</u>	<u>-</u>	<u>770,902</u>
Total Expenses	<u>5,345,568</u>	<u>-</u>	<u>5,345,568</u>	<u>6,168,401</u>	<u>-</u>	<u>6,168,401</u>
Increase (decrease) in net assets	(185,597)	(3,307,489)	(3,493,086)	(98,039)	1,372,545	1,274,506
Net assets, beginning of year	<u>3,097,533</u>	<u>5,853,592</u>	<u>8,951,125</u>	<u>3,195,572</u>	<u>4,481,047</u>	<u>7,676,619</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,911,936</u>	<u>\$ 2,546,103</u>	<u>\$5,458,039</u>	<u>\$ 3,097,533</u>	<u>\$ 5,853,592</u>	<u>\$8,951,125</u>

See notes to financial statements.

## V-DAY

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$(3,493,086)	\$1,274,506
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	84,003	72,458
(Increase) decrease in:		
Unconditional promises to give	1,961,588	(426,216)
Prepaid expenses and other current assets	(565)	(10,501)
Increase (decrease) in:		
Accounts payable and accrued expenses	119,008	(18,648)
Grants payable	(85,000)	118,333
Net Cash Provided (Used) By Operating Activities	<u>(1,414,052)</u>	<u>1,009,932</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(407,229)	(342,910)
Note receivable	(5,155)	(160,000)
Net Cash Used By Investing Activities	<u>(412,384)</u>	<u>(502,910)</u>
Net increase (decrease) in cash and cash equivalents	(1,826,436)	507,022
Cash and cash equivalents, beginning of year	<u>4,539,905</u>	<u>4,032,883</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,713,469</u>	<u>\$4,539,905</u>

See notes to financial statements.

**V-DAY****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

V-Day is a California non-profit public benefit corporation incorporated in February 2001 for the purpose of ending all forms of violence against women and girls worldwide. V-Day is a catalyst that promotes creative events to increase awareness, raise money and revitalize the spirit of existing anti-violence organizations. Such events generate broader attention for the fight to stop worldwide violence against women and girls including rape, battery, incest, female genital mutilation and sexual slavery. V-Day also awards grants to organizations throughout the world that are striving to end the violence against women and girls.

**b - Cash and Cash Equivalents**

For purposes of the statement of cash flows, V-Day considers all highly liquid investments, purchased with an initial maturity of three months or less, including money market accounts, to be cash equivalents.

**c - Unconditional Promises to Give and Contributions**

Contributions are recognized when the donor makes a promise to give to V-Day, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted 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 reclassified to unrestricted net assets.

**d - Property and Equipment**

Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets.

**e - Financial Statement Presentation**

V-Day reports information regarding its financial position and activities according to two classes of net assets: unrestricted net assets and temporarily restricted net assets. In addition, V-Day is required to present a statement of cash flows.

**f - Grant Expense**

Grant expense is accrued at the time the grant is authorized. Grants which are conditional on the recipient fulfilling certain obligations prior to receiving funds are accrued at the time those conditions are satisfied.

## V-DAY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**g - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

h - Tax Status

V-Day is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

i - Subsequent Events

V-Day has evaluated subsequent events through April 21, 2016, the date that the financial statements are considered available to be issued.

**Note 2 - Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted for future years' programs and activities.

**Note 3 - Unconditional Promises to Give**

At June 30, 2015 and 2014, unconditional promises to give were related to future programs and periods and were due as follows:

	<u>2015</u>	<u>2014</u>
Due in less than one year	\$2,000,000	\$2,020,000
Due in one to two years	-	2,000,000
	<u>2,000,000</u>	<u>4,020,000</u>
Less: Discount to present value	-	(58,412)
	<u>\$2,000,000</u>	<u>\$3,961,588</u>

At June 30, 2015 and 2014, Novo Foundation comprised 100% and 99%, respectively, of unconditional promises to give.

## V-DAY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

**Note 3 - Unconditional Promises to Give (continued)**

In 2015 and 2014, unrestricted and temporarily restricted contributions from Novo Foundation totaled \$58,412 and \$2,445,613, respectively.

Uncollectible promises are expected to be insignificant. At June 30, 2014, promises to give due after one year were discounted to net present value using a discount rate of 3%.

**Note 4 - Property and Equipment**

Property and equipment consist of the following at June 30, 2015 and 2014:

	<u>Life</u>	<u>2015</u>	<u>2014</u>
Website	3 years	\$ 179,445	\$173,845
Furniture, fixtures and equipment	5 years	134,986	125,289
Automobile	5 years	69,381	69,381
Construction in progress			
Warehouse - VWorld Farm		<u>691,932</u>	<u>300,000</u>
		1,075,744	668,515
Less: Accumulated depreciation		<u>(308,591)</u>	<u>(224,588)</u>
		<u>\$ 767,153</u>	<u>\$443,927</u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$84,003 and \$72,458, respectively.

**Note 5 - Concentration of Credit Risk**

Cash balances in the United States, which comprise the majority of V-Day's cash balances, are maintained at one financial institution and is insured by the Federal Deposit Insurance Corporation. Balances commonly exceed insured limits. V-Day also maintains bank accounts in the Republic of Congo. There is no loss insurance on these accounts. The balance in these accounts at June 30, 2015 and 2014 was approximately \$150,000 and \$250,000, respectively.

**V-DAY****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****Note 6 - Note Receivable**

On June 3, 2014, V-Day entered into a promissory note agreement for \$160,000. Interest is accrued at 3% per annum. The receivable is due on demand. The balance due at June 30, 2015 was \$165,155.

**Note 7 - Functional Expenses**

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

**SUPPLEMENTARY INFORMATION**



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**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of  
V-Day

We have audited the financial statements of V-Day as of and for the years ended June 30, 2015 and 2014, and our report thereon dated April 21, 2016, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Functional Expenses for the years ended June 30, 2015 and 2014 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lutz + Carr, LLP*

New York, New York  
April 21, 2016

## V-DAY

## SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2015 AND 2014

	2015				2014			
	Program Services	Supporting Services Management and General	Fundraising	Total Expenses	Program Services	Supporting Services Management and General	Fundraising	Total Expenses
Grants	\$ 861,577	\$ -	\$ -	\$ 861,577	\$1,124,161	\$ -	\$ -	\$1,124,161
Salaries	1,159,882	136,457	68,228	1,364,567	870,248	106,519	240,436	1,217,203
Employee benefits and payroll taxes	175,180	18,567	8,200	201,947	139,517	19,321	43,650	202,488
City of Joy expenses	510,592	-	-	510,592	449,145	-	-	449,145
VWorld Farm expenses	483,171	-	-	483,171	213,081	-	-	213,081
Panzi Hospital expenses	-	-	-	-	439,988	-	-	439,988
Professional fees	598,690	32,768	-	631,458	585,563	14,586	2,745	602,894
Film and video	153,663	-	-	153,663	265,865	-	-	265,865
Printing and publications	137,084	1,900	15,432	154,416	234,014	25,648	5,869	265,531
Website	39,695	-	-	39,695	88,917	-	-	88,917
Travel, conferences and meetings	223,776	18,567	13,219	255,562	332,520	145,145	-	477,665
Supplies	8,336	897	532	9,765	19,355	1,475	2,841	23,671
Computer expenses	59,616	-	-	59,616	53,004	5,996	847	59,847
Telecommunications	95,670	2,167	-	97,837	92,104	3,478	2,458	98,040
Postage and delivery	8,678	-	-	8,678	22,247	5,748	541	28,536
Occupancy	15,879	536	-	16,415	-	15,901	-	15,901
Production expenses	366,788	-	-	366,788	467,770	-	-	467,770
Insurance	22,928	-	-	22,928	-	20,986	-	20,986
Miscellaneous expenses	20,732	2,158	-	22,890	-	34,254	-	34,254
Total expenses before depreciation	4,941,937	214,017	105,611	5,261,565	5,397,499	399,057	299,387	6,095,943
Depreciation	-	84,003	-	84,003	-	72,458	-	72,458
Total Expenses	<u>\$4,941,937</u>	<u>\$ 298,020</u>	<u>\$ 105,611</u>	<u>\$5,345,568</u>	<u>\$5,397,499</u>	<u>\$ 471,515</u>	<u>\$ 299,387</u>	<u>\$6,168,401</u>

See independent auditors' report on supplementary information.