

V-DAY

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2018 AND 2017

V-DAY

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LUTZ AND CARR

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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, 2018 and 2017, 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, 2018 and 2017, 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 2, 2019

V-DAY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents (Notes 1b and 5)	\$4,873,610	\$ 3,822,642
Unconditional promises to give (Notes 1c and 3)		
Restricted for future programs and periods	3,000,000	5,878,963
Note receivable and accrued interest (Note 6)	-	174,765
Prepaid expenses and other current assets	35,351	28,982
Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4)	<u>1,059,407</u>	<u>1,023,017</u>
Total Assets	<u><u>\$8,968,368</u></u>	<u><u>\$10,928,369</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 257,898</u>	<u>\$ 169,752</u>
Commitment (Note 7)		
Net Assets		
Unrestricted	5,641,470	4,344,027
Temporarily restricted (Note 2)	<u>3,069,000</u>	<u>6,414,590</u>
Total Net Assets	<u><u>8,710,470</u></u>	<u><u>10,758,617</u></u>
Total Liabilities and Net Assets	<u><u>\$8,968,368</u></u>	<u><u>\$10,928,369</u></u>

See notes to financial statements.

V-DAY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Changes in Unrestricted Net Assets						
Revenue and Other Support						
Contributions (Note 3)						
Individuals	\$ 423,716	\$ -	\$ 423,716	\$ 322,762	\$ -	\$ 322,762
Corporations	9,536	-	9,536	48,133	-	48,133
Foundations	769,964	190,037	960,001	3,417,272	6,338,963	9,756,235
Special event, net of direct expenses of \$81,830	99,559	-	99,559	-	-	-
Investment income	4,804	-	4,804	6,503	-	6,503
Other revenue	-	-	-	33,333	-	33,333
	<u>1,307,579</u>	<u>190,037</u>	<u>1,497,616</u>	<u>3,828,003</u>	<u>6,338,963</u>	<u>10,166,966</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	<u>3,535,627</u>	<u>(3,535,627)</u>	<u>-</u>	<u>95,000</u>	<u>(95,000)</u>	<u>-</u>
Total Revenue and Other Support	<u>4,843,206</u>	<u>(3,345,590)</u>	<u>1,497,616</u>	<u>3,923,003</u>	<u>6,243,963</u>	<u>10,166,966</u>
Expenses						
Program Services	<u>3,246,156</u>	<u>-</u>	<u>3,246,156</u>	<u>3,139,648</u>	<u>-</u>	<u>3,139,648</u>
Supporting Services						
Management and general	163,038	-	163,038	227,255	-	227,255
Fundraising	136,569	-	136,569	86,740	-	86,740
Total Supporting Services	<u>299,607</u>	<u>-</u>	<u>299,607</u>	<u>313,995</u>	<u>-</u>	<u>313,995</u>
Total Expenses	<u>3,545,763</u>	<u>-</u>	<u>3,545,763</u>	<u>3,453,643</u>	<u>-</u>	<u>3,453,643</u>
Increase (decrease) in net assets	1,297,443	(3,345,590)	(2,048,147)	469,360	6,243,963	6,713,323
Net assets, beginning of year	<u>4,344,027</u>	<u>6,414,590</u>	<u>10,758,617</u>	<u>3,874,667</u>	<u>170,627</u>	<u>4,045,294</u>
Net Assets, End of Year	<u>\$ 5,641,470</u>	<u>\$ 3,069,000</u>	<u>\$ 8,710,470</u>	<u>\$ 4,344,027</u>	<u>\$ 6,414,590</u>	<u>\$10,758,617</u>

See notes to financial statements.

V-DAY

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$(2,048,147)	\$6,713,323
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	60,871	69,408
(Increase) decrease in:		
Unconditional promises to give	2,878,963	(5,878,963)
Accrued interest income	-	(4,865)
Prepaid expenses and other current assets	(6,369)	13,988
Increase (decrease) in:		
Accounts payable and accrued expenses	88,146	(23,435)
Grants payable	-	(33,333)
Net Cash Provided By Operating Activities	<u>973,464</u>	<u>856,123</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(97,261)	(332,802)
Note receivable	174,765	-
Net Cash Provided (Used) By Investing Activities	<u>77,504</u>	<u>(332,802)</u>
Net increase in cash and cash equivalents	1,050,968	523,321
Cash and cash equivalents, beginning of year	<u>3,822,642</u>	<u>3,299,321</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,873,610</u></u>	<u><u>\$3,822,642</u></u>

See notes to financial statements.

V-DAY**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****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.

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.

V-DAY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Note 1 - Organization and Summary of Significant Accounting Policies (continued)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 2, 2019, the date that the financial statements are considered available to be issued.

j - Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities."* The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two net asset classes now entitled "net assets without donor restrictions" and "net assets with donor restrictions;" (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs; and (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization is currently evaluating the impact of ASU 2016-14 on its June 30, 2019 financial statements.

In February 2016, the FASB issued ASU 2016-02, *"Leases (Topic 842)"*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. The Organization is currently evaluating the impact of ASU 2016-02 on its financial statements.

Note 2 - Temporarily Restricted Net Assets

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

V-DAY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Note 3 - Unconditional Promises to Give

At June 30, 2018 and 2017, unconditional promises to give were related to future programs and periods and were due as follows:

	<u>2018</u>	<u>2017</u>
Due in less than one year	\$3,000,000	\$3,000,000
Due in one to two years	-	3,000,000
	<u>3,000,000</u>	<u>6,000,000</u>
Less: Discount to present value	-	(121,037)
	<u>\$3,000,000</u>	<u>\$5,878,963</u>

At June 30, 2018 and 2017, Novo Foundation and Tides Foundation each comprise 50% of the unconditional promises to give.

In 2018, net assets released from restrictions include \$1,500,000 from both Novo Foundation and Tides Foundation.

In 2017, unrestricted contributions and temporarily restricted contributions include \$1,500,000 and \$2,939,482, respectively, from both Novo Foundation and Tides Foundation.

Uncollectible promises are expected to be insignificant. At June 30, 2017, 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, 2018 and 2017:

	<u>Life</u>	<u>2018</u>	<u>2017</u>
Website	3 years	\$ 179,445	\$ 179,445
Furniture, fixtures and equipment	5 years	150,267	145,337
Automobile	5 years	69,381	69,381
VWorld Farm buildings		1,185,950	793,619
Construction in progress - VWorld Farm buildings		-	300,000
		<u>1,585,043</u>	<u>1,487,782</u>
Less: Accumulated depreciation		<u>(525,636)</u>	<u>(464,765)</u>
		<u>\$1,059,407</u>	<u>\$1,023,017</u>

V-DAY**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****Note 4 - Property and Equipment (continued)**

Depreciation expense for the years ended June 30, 2018 and 2017 was \$60,871 and \$69,408, 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 are 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, 2018 and 2017 was approximately \$100,000.

Note 6 - Note Receivable

On June 3, 2014, V-Day entered into a promissory note agreement for \$160,000. Interest was accrued at 3% per annum and was paid in full in July 2017.

Note 7 - Commitment

Beginning July 1, 2017, the Organization rents office space on a month-to-month basis. The lease provides for minimum monthly rental payments of \$1,500.

Note 8 - 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



LUTZ AND CARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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212-697-2299 FAX: 212-949-1768

**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, 2018 and 2017, and our report thereon dated April 2, 2019, 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, 2018 and 2017 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 2, 2019

V-DAY

SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017				
	Program Services	Supporting Services Management and General	Fundraising	Total Expenses	Program Services	Supporting Services Management and General	Fundraising	Total Expenses
Grants	\$ 521,085	\$ -	\$ -	\$ 521,085	\$ 513,124	\$ -	\$ -	\$ 513,124
Salaries	646,102	74,265	22,279	742,646	491,234	80,836	49,745	621,815
Employee benefits and payroll taxes	81,847	9,628	4,815	96,290	57,805	6,882	4,128	68,815
City of Joy expenses	456,775	-	-	456,775	541,823	-	-	541,823
VWorld Farm expenses	439,237	-	-	439,237	434,395	-	-	434,395
Professional fees	364,658	40,517	-	405,175	415,100	36,096	-	451,196
Film and video	103,807	-	-	103,807	101,932	-	-	101,932
Printing and publications	206,256	5,112	11,125	222,493	124,844	7,344	14,687	146,875
Website	37,042	-	6,345	43,387	22,751	-	2,528	25,279
Travel, conferences and meetings	99,961	5,432	3,241	108,634	141,553	16,271	4,881	162,705
Supplies	14,987	2,345	-	17,332	8,511	641	-	9,152
Computer expenses	73,032	789	3,678	77,499	53,957	4,551	6,500	65,008
Telecommunications	33,517	4,790	2,119	40,426	45,375	3,737	4,271	53,383
Postage and delivery	7,138	-	4,356	11,494	10,350	-	-	10,350
Occupancy	33,901	4,623	-	38,524	19,788	1,489	-	21,277
Production expenses	52,037	-	-	52,037	131,936	-	-	131,936
Insurance	10,123	-	-	10,123	9,335	-	-	9,335
Indirect benefit expenses	-	-	78,611	78,611	-	-	-	-
Miscellaneous expenses	19,317	-	-	19,317	15,835	-	-	15,835
Total expenses before depreciation	3,200,822	147,501	136,569	3,484,892	3,139,648	157,847	86,740	3,384,235
Depreciation	45,334	15,537	-	60,871	-	69,408	-	69,408
Total Expenses	<u>\$3,246,156</u>	<u>\$ 163,038</u>	<u>\$ 136,569</u>	<u>\$3,545,763</u>	<u>\$3,139,648</u>	<u>\$ 227,255</u>	<u>\$ 86,740</u>	<u>\$3,453,643</u>

See independent auditors' report on supplementary information.