

V-DAY

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2016 AND 2015

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, 2016 and 2015, 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, 2016 and 2015, 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
March 1, 2017

V-DAY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|---------------------------|---------------------------|
| Assets | | |
| Cash and cash equivalents (Notes 1b and 5) | \$3,299,321 | \$2,713,469 |
| Unconditional promises to give (Notes 1c and 3) | | |
| Restricted for future programs and periods | - | 2,000,000 |
| Note receivable (Note 6) | 169,900 | 165,155 |
| Prepaid expenses and other current assets | 42,970 | 38,744 |
| Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4) | <u>759,623</u> | <u>767,153</u> |
| Total Assets | <u><u>\$4,271,814</u></u> | <u><u>\$5,684,521</u></u> |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 193,187 | \$ 193,149 |
| Grants payable (Note 1f) | <u>33,333</u> | <u>33,333</u> |
| Total Liabilities | <u>226,520</u> | <u>226,482</u> |
| Net Assets | | |
| Unrestricted | 3,874,667 | 2,911,936 |
| Temporarily restricted (Note 2) | <u>170,627</u> | <u>2,546,103</u> |
| Total Net Assets | <u>4,045,294</u> | <u>5,458,039</u> |
| Total Liabilities and Net Assets | <u><u>\$4,271,814</u></u> | <u><u>\$5,684,521</u></u> |

See notes to financial statements.

V-DAY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015

| | 2016 | | | 2015 | | |
|---|----------------------------|---------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| Changes in Unrestricted Net Assets | | | | | | |
| Revenue and Other Support | | | | | | |
| Contributions | | | | | | |
| Individual support | \$ 335,532 | \$ - | \$ 335,532 | \$ 588,674 | \$ 134,330 | \$ 723,004 |
| Corporate support | 63,616 | - | 63,616 | 63,480 | 6,172 | 69,652 |
| Foundations | 1,535,722 | 135,000 | 1,670,722 | 692,318 | 346,247 | 1,038,565 |
| Special events | - | - | - | 1,940 | - | 1,940 |
| Investment income | 6,712 | - | 6,712 | 7,345 | - | 7,345 |
| Other revenue | 660 | - | 660 | 11,976 | - | 11,976 |
| | <u>1,942,242</u> | <u>135,000</u> | <u>2,077,242</u> | <u>1,365,733</u> | <u>486,749</u> | <u>1,852,482</u> |
| Net assets released from restrictions | | | | | | |
| Satisfaction of time and program restrictions | <u>2,510,476</u> | <u>(2,510,476)</u> | <u>-</u> | <u>3,794,238</u> | <u>(3,794,238)</u> | <u>-</u> |
| Total Revenue and Other Support | <u>4,452,718</u> | <u>(2,375,476)</u> | <u>2,077,242</u> | <u>5,159,971</u> | <u>(3,307,489)</u> | <u>1,852,482</u> |
| Expenses | | | | | | |
| Program Services | <u>3,196,513</u> | <u>-</u> | <u>3,196,513</u> | <u>4,941,937</u> | <u>-</u> | <u>4,941,937</u> |
| Supporting Services | | | | | | |
| Management and general | 201,163 | - | 201,163 | 298,020 | - | 298,020 |
| Fundraising | 92,311 | - | 92,311 | 105,611 | - | 105,611 |
| Total Supporting Services | <u>293,474</u> | <u>-</u> | <u>293,474</u> | <u>403,631</u> | <u>-</u> | <u>403,631</u> |
| Total Expenses | <u>3,489,987</u> | <u>-</u> | <u>3,489,987</u> | <u>5,345,568</u> | <u>-</u> | <u>5,345,568</u> |
| Increase (decrease) in net assets | 962,731 | (2,375,476) | (1,412,745) | (185,597) | (3,307,489) | (3,493,086) |
| Net assets, beginning of year | <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> |
| Net Assets, End of Year | <u><u>\$ 3,874,667</u></u> | <u><u>\$ 170,627</u></u> | <u><u>\$4,045,294</u></u> | <u><u>\$ 2,911,936</u></u> | <u><u>\$ 2,546,103</u></u> | <u><u>\$5,458,039</u></u> |

See notes to financial statements.

V-DAY

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|
| Cash Flows From Operating Activities | | |
| Decrease in net assets | \$(1,412,745) | \$(3,493,086) |
| Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 86,766 | 84,003 |
| (Increase) decrease in: | | |
| Unconditional promises to give | 2,000,000 | 1,961,588 |
| Prepaid expenses and other current assets | (4,226) | (565) |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 38 | 119,008 |
| Grants payable | - | (85,000) |
| Net Cash Provided (Used) By Operating Activities | <u>669,833</u> | <u>(1,414,052)</u> |
| Cash Flows From Investing Activities | | |
| Purchase of property and equipment | (79,236) | (407,229) |
| Note receivable | (4,745) | (5,155) |
| Net Cash Used By Investing Activities | <u>(83,981)</u> | <u>(412,384)</u> |
| Net increase (decrease) in cash and cash equivalents | 585,852 | (1,826,436) |
| Cash and cash equivalents, beginning of year | <u>2,713,469</u> | <u>4,539,905</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 3,299,321</u> | <u>\$ 2,713,469</u> |

See notes to financial statements.

V-DAY**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016 AND 2015****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, 2016 AND 2015

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 March 1, 2017, the date that the financial statements are considered available to be issued. On October 4, 2016, V-Day was granted an unconditional promise to give of \$4,500,000 to be used for general support for the period November 1, 2016 through November 1, 2019.

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, unconditional promises to give were related to future programs and periods which were received during the year ended June 30, 2016.

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

Note 4 - Property and Equipment

Property and equipment consist of the following at June 30, 2016 and 2015:

| | <u>Life</u> | <u>2016</u> | <u>2015</u> |
|-----------------------------------|-------------|-------------------|-------------------|
| Website | 3 years | \$ 179,445 | \$ 179,445 |
| Furniture, fixtures and equipment | 5 years | 134,986 | 134,986 |
| Automobile | 5 years | 69,381 | 69,381 |
| Warehouse - VWorld Farm | | <u>771,168</u> | <u>691,932</u> |
| | | 1,154,980 | 1,075,744 |
| Less: Accumulated depreciation | | <u>(395,357)</u> | <u>(308,591)</u> |
| | | <u>\$ 759,623</u> | <u>\$ 767,153</u> |

V-DAY**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016 AND 2015****Note 4 - Property and Equipment (continued)**

Depreciation expense for the years ended June 30, 2016 and 2015 was \$86,766 and \$84,003, 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, 2016 and 2015 was approximately \$75,000 and \$150,000, respectively.

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, 2016 and 2015 was \$169,900 and \$165,155, respectively.

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, 2016 and 2015, and our report thereon dated March 1, 2017, 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, 2016 and 2015 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
March 1, 2017

V-DAY
SCHEDULES OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2016 AND 2015

| | 2016 | | | | 2015 | | | |
|-------------------------------------|---------------------|---------------------------|------------------|--------------------|---------------------|---------------------------|-------------------|--------------------|
| | Program Services | Supporting Services | | Total Expenses | Program Services | Supporting Services | | Total Expenses |
| | | Management and General | Fundraising | | | Management and General | Fundraising | |
| Grants | \$ 624,510 | \$ - | \$ - | \$ 624,510 | \$ 861,577 | \$ - | \$ - | \$ 861,577 |
| Salaries | 484,930 | 85,937 | 42,968 | 613,835 | 1,159,882 | 136,457 | 68,228 | 1,364,567 |
| Employee benefits and payroll taxes | 42,848 | 7,593 | 3,797 | 54,238 | 175,180 | 18,567 | 8,200 | 201,947 |
| City of Joy expenses | 538,714 | - | - | 538,714 | 510,592 | - | - | 510,592 |
| VWorld Farm expenses | 434,813 | - | - | 434,813 | 483,171 | - | - | 483,171 |
| Professional fees | 351,124 | 10,860 | - | 361,984 | 598,690 | 32,768 | - | 631,458 |
| Film and video | 104,288 | - | - | 104,288 | 153,663 | - | - | 153,663 |
| Printing and publications | 93,068 | 1,108 | 16,619 | 110,795 | 137,084 | 1,900 | 15,432 | 154,416 |
| Website | 21,259 | - | 2,362 | 23,621 | 39,695 | - | - | 39,695 |
| Travel, conferences and meetings | 203,159 | 4,368 | 10,923 | 218,450 | 223,776 | 18,567 | 13,219 | 255,562 |
| Supplies | 5,206 | 578 | - | 5,784 | 8,336 | 897 | 532 | 9,765 |
| Computer expenses | 44,813 | - | 11,203 | 56,016 | 59,616 | - | - | 59,616 |
| Telecommunications | 37,731 | 2,219 | 4,439 | 44,389 | 95,670 | 2,167 | - | 97,837 |
| Postage and delivery | 6,268 | - | - | 6,268 | 8,678 | - | - | 8,678 |
| Occupancy | 18,377 | 967 | - | 19,344 | 15,879 | 536 | - | 16,415 |
| Production expenses | 152,098 | - | - | 152,098 | 366,788 | - | - | 366,788 |
| Insurance | 18,770 | - | - | 18,770 | 22,928 | - | - | 22,928 |
| Miscellaneous expenses | 14,537 | 767 | - | 15,304 | 20,732 | 2,158 | - | 22,890 |
| Total expenses before depreciation | 3,196,513 | 114,397 | 92,311 | 3,403,221 | 4,941,937 | 214,017 | 105,611 | 5,261,565 |
| Depreciation | - | 86,766 | - | 86,766 | - | 84,003 | - | 84,003 |
| Total Expenses | <u>\$3,196,513</u> | <u>\$ 201,163</u> | <u>\$ 92,311</u> | <u>\$3,489,987</u> | <u>\$4,941,937</u> | <u>\$ 298,020</u> | <u>\$ 105,611</u> | <u>\$5,345,568</u> |