

V-DAY

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2014 AND 2013

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, 2014 and 2013, 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, 2014 and 2013, 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
May 1, 2015

V-DAY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents (Notes 1b and 5)	\$4,539,905	\$4,032,883
Unconditional promises to give (Notes 1c and 3)		
Restricted for future programs and periods	3,961,588	3,535,372
Note receivable (Note 6)	160,000	-
Prepaid expenses and other current assets	38,179	27,678
Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4)	<u>443,927</u>	<u>173,475</u>
Total Assets	<u><u>\$9,143,599</u></u>	<u><u>\$7,769,408</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 74,141	\$ 92,789
Grants payable (Note 1f)	118,333	-
Total Liabilities	<u>192,474</u>	<u>92,789</u>
Net Assets		
Unrestricted	3,097,533	3,195,572
Temporarily restricted (Note 2)	<u>5,853,592</u>	<u>4,481,047</u>
Total Net Assets	<u>8,951,125</u>	<u>7,676,619</u>
Total Liabilities and Net Assets	<u><u>\$9,143,599</u></u>	<u><u>\$7,769,408</u></u>

See notes to financial statements.

V-DAY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Changes in Unrestricted Net Assets						
Revenue and Other Support						
Contributions						
Individual support	\$ 1,289,417	\$ -	\$1,289,417	\$ 1,483,271	\$ 421,317	\$1,904,588
Corporate support	170,212	-	170,212	224,400	100,000	324,400
Foundations (Note 3)	2,420,547	3,534,092	5,954,639	1,945,059	448,954	2,394,013
Special events	3,533	-	3,533	10,763	-	10,763
Investment income	2,673	-	2,673	3,974	-	3,974
Other revenue	22,433	-	22,433	13,445	-	13,445
	<u>3,908,815</u>	<u>3,534,092</u>	<u>7,442,907</u>	<u>3,680,912</u>	<u>970,271</u>	<u>4,651,183</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	<u>2,161,547</u>	<u>(2,161,547)</u>	<u>-</u>	<u>1,610,309</u>	<u>(1,610,309)</u>	<u>-</u>
Total Revenue and Other Support	<u>6,070,362</u>	<u>1,372,545</u>	<u>7,442,907</u>	<u>5,291,221</u>	<u>(640,038)</u>	<u>4,651,183</u>
Expenses						
Program Services	<u>5,397,499</u>	<u>-</u>	<u>5,397,499</u>	<u>5,733,397</u>	<u>-</u>	<u>5,733,397</u>
Supporting Services						
Management and general	471,515	-	471,515	290,245	-	290,245
Fundraising	299,387	-	299,387	45,345	-	45,345
Total Supporting Services	<u>770,902</u>	<u>-</u>	<u>770,902</u>	<u>335,590</u>	<u>-</u>	<u>335,590</u>
Total Expenses	<u>6,168,401</u>	<u>-</u>	<u>6,168,401</u>	<u>6,068,987</u>	<u>-</u>	<u>6,068,987</u>
Increase (decrease) in net assets	(98,039)	1,372,545	1,274,506	(777,766)	(640,038)	(1,417,804)
Net assets, beginning of year	<u>3,195,572</u>	<u>4,481,047</u>	<u>7,676,619</u>	<u>3,973,338</u>	<u>5,121,085</u>	<u>9,094,423</u>
Net Assets, End 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>

See notes to financial statements.

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STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$1,274,506	\$(1,417,804)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	72,458	41,145
(Increase) decrease in:		
Unconditional promises to give	(426,216)	1,167,362
Due from fiscal sponsorship grantee	-	107,694
Prepaid expenses and other current assets	(10,501)	84,206
Increase (decrease) in:		
Accounts payable and accrued expenses	(18,648)	(43,586)
Grants payable	118,333	-
Net Cash Provided (Used) By Operating Activities	<u>1,009,932</u>	<u>(60,983)</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(342,910)	(190,217)
Note receivable	<u>(160,000)</u>	<u>-</u>
Net Cash Used By Investing Activities	<u>(502,910)</u>	<u>(190,217)</u>
Net increase (decrease) in cash and cash equivalents	507,022	(251,200)
Cash and cash equivalents, beginning of year	<u>4,032,883</u>	<u>4,284,083</u>
Cash and Cash Equivalents, End of Year	<u>\$4,539,905</u>	<u>\$ 4,032,883</u>

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

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. Management has evaluated all income tax positions and concluded that no disclosures relating to uncertain tax positions are required in the financial statements. V-Day's tax returns are generally subject to examination by taxing authorities for a period of three years from the date of filing.

i - Subsequent Events

V-Day has evaluated subsequent events through May 1, 2015, 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, 2014 and 2013, unconditional promises to give were related to future programs and periods and were due as follows:

	<u>2014</u>	<u>2013</u>
Due in less than one year	\$2,020,000	\$1,240,000
Due in one to two years	<u>2,000,000</u>	<u>2,400,000</u>
	4,020,000	3,640,000
Less: Discount to present value	<u>(58,412)</u>	<u>(104,628)</u>
	<u>\$3,961,588</u>	<u>\$3,535,372</u>

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

Note 3 - Unconditional Promises to Give (continued)

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

In 2014 and 2013, unrestricted and temporarily restricted contributions from Novo Foundation totaled \$2,445,613 and \$959,642, respectively.

Uncollectible promises are expected to be insignificant. Promises to give due after one year are 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, 2014 and 2013:

	<u>Life</u>	<u>2014</u>	<u>2013</u>
Website	3 years	\$173,845	\$136,600
Furniture, fixtures and equipment	5 years	125,289	119,624
Automobile	5 years	69,381	69,381
Construction in progress			
Warehouse - VWorld Farm		<u>300,000</u>	<u>-</u>
		668,515	325,605
Less: Accumulated depreciation		<u>(224,588)</u>	<u>(152,130)</u>
		<u>\$443,927</u>	<u>\$173,475</u>

Depreciation expense for the years ended June 30, 2014 and 2013 was \$72,458 and \$41,145, respectively.

Note 5 - Concentration of Credit Risk

V-Day maintains bank accounts at two financial institutions in New York, New York. At June 30, 2014, V-Day had approximately \$250,000 deposited in a bank in the Republic of Congo. Cash balances held in financial institutions in New York, at times, may exceed federally insured limits.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

Note 6 - Due from Fiscal Sponsorship Grantee

V-Day had agreed to act as a fiscal agent for an unaffiliated and independent grantee, whereby it collects funds, makes payments to third parties and will disburse any excess funds to the grantee, less an administrative charge of one percent of all amounts paid to grantee.

Note 7 - Note Receivable

On June 3, 2014, V-Day entered into an interest free promissory note agreement for \$160,000 maturing in July 2015.

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



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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, 2014 and 2013, and our report thereon dated May 1, 2015, 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, 2014 and 2013 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
May 1, 2015

V-DAY

SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2014 AND 2013

	2014			2013			Total Expenses
	Program Services	Supporting Services Management and General	Fundraising	Program Services	Supporting Services Management and General	Fundraising	
Grants	\$1,124,161	\$ -	\$ -	\$1,124,161	\$1,629,902	\$ -	\$1,629,902
Salaries	870,248	106,519	240,436	1,217,203	870,815	237,500	1,138,315
Employee benefits and payroll taxes	139,517	19,321	43,650	202,488	155,424	21,122	180,746
City of Joy expenses	449,145	-	-	449,145	608,366	-	608,366
VWorld Farm expenses	213,081	-	-	213,081	-	-	-
Panzi Hospital expenses	439,988	-	-	439,988	-	-	-
Professional fees	585,563	14,586	2,745	602,894	364,946	18,278	383,224
Film and video	265,865	-	-	265,865	397,683	-	397,683
OBR events	-	-	-	-	527,066	-	527,066
Printing and publications	234,014	25,648	5,869	265,531	390,507	1,631	402,988
Website	88,917	-	-	88,917	98,343	-	98,343
Travel, conferences and meetings	332,520	145,145	-	477,665	413,132	10,838	424,026
Supplies	19,355	1,475	2,841	23,671	29,901	219	30,359
Computer expenses	53,004	5,996	847	59,847	7,374	-	7,374
Telecommunications	92,104	3,478	2,458	98,040	88,224	90	88,314
Postage and delivery	22,247	5,748	541	28,536	18,267	-	18,267
Occupancy	-	15,901	-	15,901	10,311	342	10,653
Production expenses	467,770	-	-	467,770	-	-	-
Insurance	-	20,986	-	20,986	23,307	-	23,307
Miscellaneous expenses	-	34,254	-	34,254	58,684	225	58,909
Total expenses before depreciation	5,397,499	399,057	299,387	6,095,943	5,692,252	290,245	6,027,842
Depreciation	-	72,458	-	72,458	41,145	-	41,145
Total Expenses	<u>\$5,397,499</u>	<u>\$ 471,515</u>	<u>\$ 299,387</u>	<u>\$6,168,401</u>	<u>\$5,733,397</u>	<u>\$ 290,245</u>	<u>\$6,068,987</u>

See independent auditors' report on supplementary information.