

**V-DAY**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017 AND 2016**

# 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, 2017 and 2016, 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, 2017 and 2016, 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 30, 2018

## V-DAY

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 5)	\$ 3,822,642	\$3,299,321
Unconditional promises to give (Notes 1c and 3)		
Restricted for future programs and periods	5,878,963	-
Note receivable and accrued interest (Note 6)	174,765	169,900
Prepaid expenses and other current assets	28,982	42,970
Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4)	<u>1,023,017</u>	<u>759,623</u>
<b>Total Assets</b>	<u><u>\$10,928,369</u></u>	<u><u>\$4,271,814</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 169,752	\$ 193,187
Grants payable (Note 1f)	-	33,333
Total Liabilities	<u>169,752</u>	<u>226,520</u>
Commitment (Note 7)		
Net Assets		
Unrestricted	4,344,027	3,874,667
Temporarily restricted (Note 2)	6,414,590	170,627
Total Net Assets	<u>10,758,617</u>	<u>4,045,294</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$10,928,369</u></u>	<u><u>\$4,271,814</u></u>

See notes to financial statements.

**V-DAY**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Changes in Unrestricted Net Assets</b>						
Revenue and Other Support						
Contributions (Note 3)						
Individuals	\$ 322,762	\$ -	\$ 322,762	\$ 335,532	\$ -	\$ 335,532
Corporations	48,133	-	48,133	63,616	-	63,616
Foundations	3,417,272	6,338,963	9,756,235	1,535,722	135,000	1,670,722
Investment income	6,503	-	6,503	6,712	-	6,712
Other revenue	33,333	-	33,333	660	-	660
	3,828,003	6,338,963	10,166,966	1,942,242	135,000	2,077,242
Net assets released from restrictions						
Satisfaction of time and program restrictions	95,000	(95,000)	-	2,510,476	(2,510,476)	-
	3,923,003	6,243,963	10,166,966	4,452,718	(2,375,476)	2,077,242
Expenses						
Program Services	3,139,648	-	3,139,648	3,196,513	-	3,196,513
Supporting Services						
Management and general	227,255	-	227,255	201,163	-	201,163
Fundraising	86,740	-	86,740	92,311	-	92,311
Total Supporting Services	313,995	-	313,995	293,474	-	293,474
	3,453,643	-	3,453,643	3,489,987	-	3,489,987
Increase (decrease) in net assets	469,360	6,243,963	6,713,323	962,731	(2,375,476)	(1,412,745)
Net assets, beginning of year	3,874,667	170,627	4,045,294	2,911,936	2,546,103	5,458,039
<b>Net Assets, End of Year</b>	<b>\$ 4,344,027</b>	<b>\$ 6,414,590</b>	<b>\$10,758,617</b>	<b>\$ 3,874,667</b>	<b>\$ 170,627</b>	<b>\$4,045,294</b>

See notes to financial statements.

## V-DAY

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$6,713,323	\$(1,412,745)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	69,408	86,766
(Increase) decrease in:		
Unconditional promises to give	(5,878,963)	2,000,000
Accrued interest income	(4,865)	(4,745)
Prepaid expenses and other current assets	13,988	(4,226)
Increase (decrease) in:		
Accounts payable and accrued expenses	(23,435)	38
Grants payable	(33,333)	-
Net Cash Provided By Operating Activities	<u>856,123</u>	<u>665,088</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	<u>(332,802)</u>	<u>(79,236)</u>
Net increase in cash and cash equivalents	523,321	585,852
Cash and cash equivalents, beginning of year	<u>3,299,321</u>	<u>2,713,469</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$3,822,642</u></u>	<u><u>\$ 3,299,321</u></u>

See notes to financial statements.

**V-DAY****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2017 AND 2016****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, 2017 AND 2016

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

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

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

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%.

## V-DAY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

**Note 4 - Property and Equipment**

Property and equipment consist of the following at June 30, 2017 and 2016:

	<u>Life</u>	<u>2017</u>	<u>2016</u>
Website	3 years	\$ 179,445	\$ 179,445
Furniture, fixtures and equipment	5 years	145,337	134,986
Automobile	5 years	69,381	69,381
Warehouse - VWorld Farm		793,619	771,168
Construction in progress - VWorld Farm buildings		<u>300,000</u>	<u>-</u>
		1,487,782	1,154,980
Less: Accumulated depreciation		<u>(464,765)</u>	<u>(395,357)</u>
		<u>\$1,023,017</u>	<u>\$ 759,623</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$69,408 and \$86,766, 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, 2017 and 2016 was approximately \$100,000 and \$75,000, 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, 2017 and 2016 was \$174,765 and \$169,990, respectively. The loan was received in full in July, 2017.

## V-DAY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

**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**



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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, 2017 and 2016, and our report thereon dated April 30, 2018, 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, 2017 and 2016 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 30, 2018

**V-DAY**  
**SCHEDULES OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017			2016				
	Program Services	Supporting Services		Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Expenses		Management and General	Fundraising	Total Expenses
Grants	\$ 513,124	\$ -	\$ -	\$ 513,124	\$ 624,510	\$ -	\$ -	\$ 624,510
Salaries	491,234	80,836	49,745	621,815	484,930	85,937	42,968	613,835
Employee benefits and payroll taxes	57,805	6,882	4,128	68,815	42,848	7,593	3,797	54,238
City of Joy expenses	541,823	-	-	541,823	538,714	-	-	538,714
VWorld Farm expenses	434,395	-	-	434,395	434,813	-	-	434,813
Professional fees	415,100	36,096	-	451,196	351,124	10,860	-	361,984
Film and video	101,932	-	-	101,932	104,288	-	-	104,288
Printing and publications	124,844	7,344	14,687	146,875	93,068	1,108	16,619	110,795
Website	22,751	-	2,528	25,279	21,259	-	2,362	23,621
Travel, conferences and meetings	141,553	16,271	4,881	162,705	203,159	4,368	10,923	218,450
Supplies	8,511	641	-	9,152	5,206	578	-	5,784
Computer expenses	53,957	4,551	6,500	65,008	44,813	-	11,203	56,016
Telecommunications	45,375	3,737	4,271	53,383	37,731	2,219	4,439	44,389
Postage and delivery	10,350	-	-	10,350	6,268	-	-	6,268
Occupancy	19,788	1,489	-	21,277	18,377	967	-	19,344
Production expenses	131,936	-	-	131,936	152,098	-	-	152,098
Insurance	9,335	-	-	9,335	18,770	-	-	18,770
Miscellaneous expenses	15,835	-	-	15,835	14,537	767	-	15,304
Total expenses before depreciation	3,139,648	157,847	86,740	3,384,235	3,196,513	114,397	92,311	3,403,221
Depreciation	-	69,408	-	69,408	-	86,766	-	86,766
Total Expenses	<u>\$3,139,648</u>	<u>\$ 227,255</u>	<u>\$ 86,740</u>	<u>\$3,453,643</u>	<u>\$3,196,513</u>	<u>\$ 201,163</u>	<u>\$ 92,311</u>	<u>\$3,489,987</u>

See independent auditors' report on supplementary information.