

# **A JEWISH VOICE FOR PEACE**

Financial Statements &  
Independent Auditor's Report  
for the Year Ended  
June 30, 2014



## TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT .....	1
FINANCIAL STATEMENTS .....	2
Statement of Financial Position .....	2
Statement of Activities and Changes in Net Assets.....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements.....	6



## Independent Auditor's Report

To the Board of Directors  
A Jewish Voice for Peace  
Oakland, California

We have audited the accompanying financial statements of A Jewish Voice for Peace (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's judgment, including an assessment of the risks of the 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 A Jewish Voice for Peace as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited the June 30, 2013 financial statements of A Jewish Voice for Peace and our report dated January 21, 2014 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads "Cook &amp; Company". The signature is written in a cursive, flowing style.

Certified Public Accountant  
March 21, 2015

**A Jewish Voice for Peace**  
**Statement of Financial Position**  
**June 30, 2014**  
**with Comparative Totals for June 30, 2013**

	<u>6/30/2014</u>	<u>6/30/2013</u> (Note 2)
<b>ASSETS</b>		
Current Assets:		
Cash & cash equivalents	\$ 705,629	\$ 447,885
Contributions receivable	39,640	11,685
Prepaid expenses	4,691	2,083
Other current assets	8,087	6,182
Total current assets	758,047	467,835
Deposits	2,294	2,294
Office equipment, net of accumulated depreciation of \$2,133 at 6/14 and \$1,283 at 6/13	5,031	2,215
TOTAL ASSETS	\$ 765,372	\$ 472,344
 <b>LIABILITIES &amp; NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 25,176	\$ 12,013
Accrued vacation pay	31,055	31,572
TOTAL LIABILITIES	56,231	43,585
Net Assets		
Unrestricted	533,547	311,966
Temporarily restricted (Note 3)	175,594	116,793
TOTAL NET ASSETS	709,141	428,759
TOTAL LIABILITIES & NET ASSETS	\$ 765,372	\$ 472,344

See accompanying notes to financial statements  
and independent auditor's report.

## A Jewish Voice for Peace

### Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2014 with Comparative Totals for the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>2013</u>
Support & Revenue:				
Contributions & grants	\$ 1,179,766	\$ 227,382	\$ 1,407,148	\$ 1,147,386
Net assets released from restriction:				
Satisfaction of donor restrictions	168,581	(168,581)	-	-
Program fees	5,228		5,228	26,200
Other	14,973		14,973	2,183
	<hr/>	<hr/>	<hr/>	<hr/>
Total support & revenue	1,368,548	58,801	1,427,349	1,175,769
Expenses:				
Program services	776,176		776,176	689,828
General & administrative	168,127		168,127	123,319
Fundraising	202,664		202,664	212,388
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	1,146,967	-	1,146,967	1,025,535
	<hr/>	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	221,581	58,801	280,382	150,234
NET ASSETS, July 1	311,966	116,793	428,759	278,525
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS, June 30	<u>\$ 533,547</u>	<u>\$ 175,594</u>	<u>\$ 709,141</u>	<u>\$ 428,759</u>

See accompanying notes to financial statements  
and independent auditor's report.

## A Jewish Voice for Peace

### Statement of Functional Expenses for the Year Ended June 30, 2014 with Comparative Totals for the Year Ended June 30, 2013

	Program Services	General & Administrative	Fundraising	6/30/14 Total	6/30/13 Total (Note 2)
Salaries	\$ 401,473	\$ 49,370	\$ 99,267	\$ 550,110	\$ 432,031
Employee benefits & payroll taxes	68,903	14,871	17,189	100,963	84,076
Contractors & consultants	27,023	56,964	6,571	90,558	51,970
Occupancy	33,140	12,045	10,224	55,409	44,436
Office supplies	2,632	1,157	740	4,529	2,926
Information technology	20,623	4,517	7,624	32,764	26,606
Printing	20,400		13,646	34,046	22,578
Postage	6,368	615	4,213	11,196	18,179
Telephone & internet	6,797	2,219	1,584	10,600	9,608
Insurance	227	3,846	227	4,300	3,614
Program events & campaigns	63,629		50	63,679	169,596
Travel & conferences	41,650	1,648	2,258	45,556	22,827
Chapter expenses	26,671			26,671	48,208
Direct mail	12,676		8,451	21,127	12,896
Board expenses		9,614		9,614	7,192
Staff & volunteer development	3,929	99	689	4,717	1,927
Creative marketing & fundraising expenses	14,163	81	14,314	28,558	25,236
Fellowships	25,209			25,209	14,543
Bank fees & service charges		5,415	15,469	20,884	19,367
State registration fees		4,119		4,119	5,272
Other	663	1,547	148	2,358	2,447
<b>Total Expenses</b>	<b>\$ 776,176</b>	<b>\$ 168,127</b>	<b>\$ 202,664</b>	<b>\$ 1,146,967</b>	<b>\$ 1,025,535</b>

See accompanying notes to financial statements  
and independent auditor's report.

## A Jewish Voice for Peace

### Statement of Cash Flows for the Year Ended June 30, 2014 with Comparative Totals for the Year Ended June 30, 2013

	6/30/14 <u>Total</u>	6/30/13 Total (Note 2)
<b><i>Cash flows from operating activities:</i></b>		
Change in net assets	\$ 280,382	\$ 150,234
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	849	700
Changes in assets and liabilities:		
(Increase) decrease in contributions receivable	(27,955)	(5,990)
(Increase) decrease in prepaid expenses	(2,608)	10,905
(Increase) decrease in other current assets	(1,905)	22
Increase (decrease) in accounts payable	13,163	6,334
Increase (decrease) in accrued vacation pay	<u>(517)</u>	<u>2,454</u>
<b>Cash provided (used) by operating activities:</b>	261,409	164,659
<b><i>Cash flows from investing activities:</i></b>		
Purchase of fixed assets	<u>(3,665)</u>	<u>-</u>
<b>Cash provided (used) by investing activities:</b>	<u>(3,665)</u>	<u>-</u>
<b>Cash provided (used) during year</b>	257,744	164,659
Cash & cash equivalents:		
<b>Beginning of year, July 1</b>	<u>447,885</u>	<u>283,226</u>
<b>End of year, June 30</b>	<u><u>\$ 705,629</u></u>	<u><u>\$ 447,885</u></u>

See accompanying notes to financial statements  
and independent auditor's report.

**A Jewish Voice for Peace**  
**Notes to Financial Statements**  
**for the Year Ended June 30, 2014**

**1. The Organization**

Nature of Activities

A Jewish Voice for Peace (JVP or the Organization) is a national Jewish nonprofit organization that provides a voice for Jews and allies who believe that peace in the Middle East will be achieved through justice and full equality for both Palestinians and Israelis. With offices in New York and California, online activists, chapters across the country, and an Advisory Board comprised of numerous prominent Jewish thinkers and artists, JVP supports nonviolent efforts here and in Israel-Palestine to end Israel's Occupation, expand human and civil rights, and implement a US policy based on international law and democracy. JVP:

- Conducts global campaigns to defend and free Israeli and Palestinian human rights activists,
- Fights McCarthyite censorship of debate and misuses of the charge of anti-Semitism, especially in the Jewish community,
- Supports the growth of the Boycott, Divestment and Sanctions movement through divestment from companies that profit from the occupation,
- Works in coalition with others including Arab, Muslim, Palestinian and Christian groups to fight bigotry and end the occupation,
- Facilitates Congressional outreach regarding policy in the region, and
- Supports alternative Jewish rituals that include Palestinian narratives

JVP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is governed by a board of directors.

Funding

JVP receives the majority of its funding from individual contributions and foundation grants.

**2. Summary of Significant Accounting Policies**

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned, and expenses are recognized when they are incurred.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Unrestricted net assets**, which includes resources not subject to donor-imposed restrictions.

**Temporarily restricted net assets**, which includes resources subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

(continued)



**A Jewish Voice for Peace**  
**Notes to Financial Statements**  
**for the Year Ended June 30, 2014**

(continued)

Revenue Recognition

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Gifts of fixed assets are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Cash & Cash Equivalents

Cash and cash equivalents include deposits held in bank checking and savings accounts.

Contributions Receivable

Contributions receivable are recorded based on formal promises received from donors. All amounts are deemed fully collectible within one year of the balance sheet date.

Functional Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with a specific program or support service are allocated directly. Expenses that are common to more than one function are allocated based on the estimated amount of staff time spent on each function.

Fair Value of Financial Instruments

The carrying amounts of cash, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

Use of 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.

Income Taxes

As a public charity organized under Internal Revenue Code Section 501(c)(3), JVP is exempt from income taxes, except on activities unrelated to its mission. As management believes that all of the Organization's revenue is exempt from federal and state income tax, no provision has been made for income tax expense. The Organization's federal *Returns of Organization Exempt from Income Tax* (Form 990) for the tax years ending in 2012, 2013 and 2014 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

(continued)

**A Jewish Voice for Peace**  
**Notes to Financial Statements**  
**for the Year Ended June 30, 2014**

(continued)

Comparative Data

The financial statement information for the year ended June 30, 2013, presented for comparative purposes, is not intended to be a complete financial statement presentation. For a complete presentation, please refer to the financial statement for that fiscal year.

Reclassification

Certain amounts in the June 30, 2013 financial statements have been reclassified to conform to the June 30, 2014 presentation.

**3. Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2014 consist of awards received for the following:

Chapter activities	\$102,776
Nakba Education Project	43,026
To support the Online Organizer staff position	20,994
Other activities	<u>8,798</u>
Total temporarily restricted net assets	\$175,594

**4. Operating Leases**

During the year ended June 30, 2014, the Organization executed an option to extend the term of its Oakland, California, office lease until August 2019. The agreement calls for monthly base rent of \$3,466 during the first year of the extended term, with annual increases of approximately 3% each June through 2018. JVP is also responsible for its pro rata share of increases in building operating costs and property taxes. A portion of the office is subleased to another nonprofit organization on a month-to-month basis. Rent expense for the period was \$31,002 and sublease income was \$5,200.

The Organization also rents a satellite office in Brooklyn, New York, on a month-to-month basis. Rent expense for the period totaled \$24,406.

Future minimum lease payments are as follows:

<u>For the fiscal year ending June 30:</u>	
2015	\$34,753
2016	42,801
2017	43,918
2018	45,046
2019	46,080
2020	<u>7,680</u>
Total future minimum lease payments	\$220,278

**A Jewish Voice for Peace**  
**Notes to Financial Statements**  
**for the Year Ended June 30, 2014**

**5. Line of Credit**

During the year, JVP opened a bank line of credit with a limit of \$70,000. Outstanding balances incur interest at an annual rate of Prime plus 6.75%. No amounts had been drawn down as of June 30, 2014.

**6. Cash Deposits in Excess of FDIC Insurance Limits**

As of June 30, 2014, JVP held cash deposits that exceeded FDIC insurance limits by approximately \$340,000.

**7. Management's Review of Subsequent Events**

In preparing these financial statements, management has evaluated events for potential recognition or disclosure through March 21, 2015, the date the financial statements were available to be issued.