

A Jewish Voice for Peace

Financial Statements &
Independent Auditor's Report
for the Year Ended
June 30, 2015

**COOK &
COMPANY**

A PROFESSIONAL ACCOUNTANCY CORPORATION

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COOK & COMPANY

A PROFESSIONAL ACCOUNTANCY CORPORATION

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, 2015, 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, 2015, 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, 2014, financial statements of A Jewish Voice for Peace and our report dated March 21, 2015, 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, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



A Professional Accountancy Corporation
March 17, 2016

A Jewish Voice for Peace
Statement of Financial Position
June 30, 2015
with Comparative Totals for June 30, 2014

	<u>6/30/2015</u>	<u>6/30/2014</u> <u>(Note 2)</u>
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 992,624	\$ 705,629
Grants & contributions receivable, current	143,284	39,640
Prepaid expenses	41,985	4,691
Other current assets	5,691	8,087
Total current assets	1,183,584	758,047
Grants receivable, due in one to two years	70,000	-
Deposits	5,794	2,294
Office equipment, net of accumulated depreciation of \$3,104 at 6/15 and \$2,133 at 6/14	15,307	5,031
TOTAL ASSETS	\$ 1,274,685	\$ 765,372
 LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 30,570	\$ 25,176
Accrued vacation pay	49,145	31,055
Accrued payroll	34,169	-
TOTAL LIABILITIES	113,884	56,231
Net Assets		
Unrestricted	839,478	533,547
Temporarily restricted (Note 3)	321,323	175,594
TOTAL NET ASSETS	1,160,801	709,141
TOTAL LIABILITIES & NET ASSETS	\$ 1,274,685	\$ 765,372

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, 2015 with Comparative Totals for the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>6/30/15 Total</u>	<u>6/30/14 Total (Note 2)</u>
Support & Revenue:				
Contributions & grants	\$ 2,047,701	\$ 438,227	\$ 2,485,928	\$ 1,407,148
Net assets released from restriction:				
Satisfaction of donor restrictions	292,498	(292,498)	-	-
In-kind support	8,750		8,750	-
Program fees	97,729		97,729	5,228
Other	13,869		13,869	14,973
	<hr/>	<hr/>	<hr/>	<hr/>
Total support & revenue	2,460,547	145,729	2,606,276	1,427,349
Expenses:				
Program services	1,670,587		1,670,587	776,176
General & administrative	205,755		205,755	168,127
Fundraising	278,274		278,274	202,664
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	2,154,616	-	2,154,616	1,146,967
	<hr/>	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	305,931	145,729	451,660	280,382
NET ASSETS, July 1	533,547	175,594	709,141	428,759
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NET ASSETS, June 30	<u>\$ 839,478</u>	<u>\$ 321,323</u>	<u>\$ 1,160,801</u>	<u>\$ 709,141</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, 2015 with Comparative Totals for the Year Ended June 30, 2014

	Program Services	General & Administrative	Fundraising	6/30/15 Total	6/30/14 Total (Note 2)
Salaries	\$ 729,689	\$ 82,882	\$ 123,871	\$ 936,442	\$ 550,110
Employee benefits & payroll taxes	158,283	21,211	25,631	205,125	100,963
Contractors & consultants	58,310	68,175	24,126	150,611	90,558
Occupancy	51,868	10,685	7,509	70,062	55,409
Office supplies	8,001	3,485	2,398	13,884	4,529
Information technology	44,963	2,615	11,899	59,477	32,764
Printing	40,392	2	14,893	55,287	34,046
Postage	8,419	715	4,904	14,038	11,196
Telephone & internet	8,854	2,474	1,241	12,569	10,600
Insurance	1,390	2,750	139	4,279	4,300
Program events & campaigns	76,801	-	-	76,801	63,679
Travel & conferences	348,069	77	6,901	355,047	45,556
Chapter expenses	49,696	-	-	49,696	26,671
Direct mail	19,594	-	8,398	27,992	21,127
Board expenses	3,646	985	187	4,818	9,614
Staff & volunteer development	11,006	1,152	1,566	13,724	4,717
Creative marketing & fundraising	40,215	20	7,461	47,696	28,558
Bank fees & service charges	4,912	5,774	30,137	40,823	20,884
State registration fees	-	526	4,725	5,251	4,119
Other	6,479	2,227	2,288	10,994	27,567
Total Expenses	\$ 1,670,587	\$ 205,755	\$ 278,274	\$ 2,154,616	\$ 1,146,967

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, 2015 with Comparative Totals for the Year Ended June 30, 2014

	6/30/15 <u>Total</u>	6/30/14 Total <u>(Note 2)</u>
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 451,660	\$ 280,382
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	2,499	849
Loss on fixed assets	353	-
Changes in assets and liabilities:		
(Increase) decrease in grants/contributions receivable	(173,644)	(27,955)
(Increase) decrease in prepaid expenses	(40,794)	(2,608)
(Increase) decrease in other current assets	2,396	(1,905)
Increase (decrease) in accounts payable	5,394	13,163
Increase (decrease) in accrued vacation pay	18,090	(517)
Increase (decrease) in accrued payroll	<u>34,169</u>	<u>-</u>
Cash provided (used) by operating activities:	300,123	261,409
<i>Cash flows from investing activities:</i>		
Purchase of fixed assets	<u>(13,128)</u>	<u>(3,665)</u>
Cash provided (used) by investing activities:	(13,128)	(3,665)
Cash provided (used) during year	286,995	257,744
Cash & cash equivalents:		
Beginning of year, July 1	<u>705,629</u>	<u>447,885</u>
End of year, June 30	<u><u>\$ 992,624</u></u>	<u><u>\$ 705,629</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, 2015

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.

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A Jewish Voice for Peace
Notes to Financial Statements
for the Year Ended June 30, 2015

(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 primarily include deposits held in bank checking and savings accounts.

Grants & Contributions Receivable

Grants and contributions receivable are recorded based on formal promises received from donors. Since all amounts are deemed fully collectible, there is no allowance for doubtful accounts reflected within the financial statements. Amounts due within one year of the balance sheet date are stated at face value, while amounts due beyond one year are discounted to present value only in cases where such discounts would be material to the financial statements. Currently, there are no discounts reflected within the financial statements.

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 *Return of Organization Exempt from*

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A Jewish Voice for Peace
Notes to Financial Statements
for the Year Ended June 30, 2015

(continued)

Income Tax (Form 990) filings for the tax years ending in 2013 through 2015 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Organization's California *Exempt Organization Annual Information Return* (Form 990) filings for the tax years ending in 2012 through 2015 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

Comparative Data

The financial statement information for the year ended June 30, 2014, 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.

Reclassifications

Certain amounts in the June 30, 2014, financial statements have been reclassified to conform to the June 30, 2015, presentation.

3. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 consist of awards received for the following:

General support	\$140,000
Chapter activities	107,707
Building organizing capacity	50,000
Nakba Education Project	23,000
Other activities	<u>616</u>
Total temporarily restricted net assets	\$321,323

4. Operating Leases

The Organization rents its Oakland, California, office under a 63-month operating lease that expires in August 2019. The agreement calls for an initial monthly base rent of \$3,466, 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 \$36,629 and sublease income was \$4,334.

During the year, JVP also rented a satellite office in Brooklyn, New York, on a month-to-month basis. Rent expense for the period totaled \$32,164. Effective April 2015, a new five-year operating lease was executed with an initial monthly rent of \$3,500, followed by annual increases of 5% for the duration of the lease term.

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A Jewish Voice for Peace
Notes to Financial Statements
for the Year Ended June 30, 2015

(continued)

Future minimum lease payments for both Oakland and New York are as follows:

For the fiscal year ending June 30:

2016	\$85,151
2017	88,386
2018	91,737
2019	95,105
2020	<u>50,223</u>
Total future minimum lease payments	\$410,602

5. Line of Credit

JVP has access to a bank line of credit with a limit of \$65,000. Outstanding balances incur interest at an annual rate of Prime plus 6.75%. No amounts had been drawn down as of June 30, 2015.

6. Cash Deposits in Excess of FDIC Insurance Limits

As of June 30, 2015, JVP held cash deposits that exceeded FDIC insurance limits by approximately \$466,000.

7. Management's Review of Subsequent Events

In preparing these financial statements, management has evaluated events for potential recognition or disclosure through March 17, 2016, the date the financial statements were available to be issued.