

# **A Jewish Voice for Peace**

Financial Statements &  
Independent Auditor's Report  
for the Year Ended  
June 30, 2016

**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, 2016, 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, 2016, 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, 2015, financial statements of A Jewish Voice for Peace and our report dated March 17, 2016, 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, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.



A Professional Accountancy Corporation  
March 17, 2017

# A Jewish Voice for Peace

## Statement of Financial Position

June 30, 2016

### ASSETS

#### Current Assets:

Cash & cash equivalents	\$	957,745
Grants & contributions receivable, current		70,229
Prepaid expenses		64,637
Other current assets		<u>5,299</u>
Total current assets		1,097,910

Grants receivable, due in one to two years		-
Deposits		6,394
Property & equipment, net (Note 3)		<u>55,434</u>

TOTAL ASSETS \$ 1,159,738

### LIABILITIES & NET ASSETS

#### Current Liabilities:

Accounts payable	\$	88,305
Accrued vacation pay		75,305
Accrued sabbatical, current		<u>32,313</u>
Total current liabilities		195,923

Accrued sabbatical, long-term 69,753

TOTAL LIABILITIES 265,676

#### Net Assets

Unrestricted		601,155
Temporarily restricted (Note 4)		<u>292,907</u>

TOTAL NET ASSETS 894,062

TOTAL LIABILITIES & NET ASSETS \$ 1,159,738

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, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support & Revenue:			
Contributions & grants	\$ 2,132,456	\$ 373,494	\$ 2,505,950
Net assets released from restriction:			
Satisfaction of donor restrictions	401,910	(401,910)	-
In-kind support	5,506		5,506
Program fees	4,687		4,687
Other	19,159		19,159
	<hr/>	<hr/>	<hr/>
Total support & revenue	2,563,718	(28,416)	2,535,302
Expenses:			
Program services	2,017,447		2,017,447
General & administrative	322,272		322,272
Fundraising	358,615		358,615
	<hr/>	<hr/>	<hr/>
Total expenses	2,698,334	-	2,698,334
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	(134,616)	(28,416)	(163,032)
NET ASSETS, July 1			
As previously stated	839,478	321,323	1,160,801
Prior period adjustment (Note 5)	(103,707)		(103,707)
As restated	735,771	321,323	1,057,094
	<hr/>	<hr/>	<hr/>
NET ASSETS, June 30	<u>\$ 601,155</u>	<u>\$ 292,907</u>	<u>\$ 894,062</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, 2016

	<b>Program Services</b>	<b>General &amp; Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 1,152,387	\$ 114,593	\$ 174,066	\$ 1,441,046
Employee benefits & payroll taxes	255,758	43,224	38,396	337,378
Contractors & consultants	59,738	67,975	4,269	131,982
Occupancy	86,235	11,684	14,829	112,748
Office supplies	2,199	14,109	291	16,599
Information technology	30,936	1,288	11,070	43,294
Printing	2,509	403	2,017	4,929
Postage	3,168	2,962	429	6,559
Telephone & internet	982	2,637	107	3,726
Insurance	-	4,530	-	4,530
Program events & campaigns	102,070	122	-	102,192
Travel & conferences	98,773	7,496	10,102	116,371
Chapter expenses	110,787		-	110,787
Direct mail	11,815	9	1,315	13,139
Board expenses	204	5,578	46	5,828
Staff & volunteer development	13,998	1,813	1,278	17,089
Creative marketing & fundraising	62,663	1,304	60,605	124,572
Bank fees & service charges	1,197	491	37,559	39,247
State registration fees	25	25,984	978	26,987
Other	22,003	16,070	1,258	39,331
<b>Total Expenses</b>	<b>\$ 2,017,447</b>	<b>\$ 322,272</b>	<b>\$ 358,615</b>	<b>\$ 2,698,334</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, 2016**

***Cash flows from operating activities:***

Change in net assets	\$ (163,032)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	10,838
Loss on disposal of fixed assets	3,364
Prior period adjustment	(103,707)
Changes in assets and liabilities:	
(Increase) decrease in grants/contributions receivable	143,055
(Increase) decrease in prepaid expenses	(23,252)
(Increase) decrease in other current assets	392
Increase (decrease) in accounts payable	57,735
Increase (decrease) in accrued vacation pay	26,160
Increase (decrease) in accrued sabbatical	102,066
Increase (decrease) in accrued payroll	<u>(34,169)</u>
<b>Cash provided (used) by operating activities:</b>	<b>19,450</b>

***Cash flows from investing activities:***

Purchase of fixed assets	<u>(54,329)</u>
<b>Cash provided (used) by investing activities:</b>	<b>(54,329)</b>

<b>Cash provided (used) during year</b>	<b>(34,879)</b>
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Cash & cash equivalents:

<b>Beginning of year, July 1</b>	<u>992,624</u>
<b>End of year, June 30</b>	<u><u>\$ 957,745</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, 2016**

**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, 2016**

(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.

Accrued Sabbatical Leave

Full-time employees are entitled to eight weeks of paid sabbatical leave every seven years. Sabbatical leave is not a vested benefit and is not payable to employees upon termination of employment. However, in accordance with generally accepted accounting principles, the cost of each employee's sabbatical leave is accrued in the financial statements over a seven-year period.

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.

(continued)

**A Jewish Voice for Peace**  
**Notes to Financial Statements**  
**for the Year Ended June 30, 2016**

(continued)

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 Income Tax* (Form 990) filings for the tax years ending in 2014 through 2016 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 2013 through 2016 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

**3. Property & Equipment**

Fixed assets consisted of the following as of June 30, 2016:

Leasehold improvements	\$44,827
Office furnishings & equipment	<u>23,870</u>
Property & equipment, gross	68,697
Less: accumulated depreciation	<u>(13,263)</u>
Net book value	55,434

**4. Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2016 consist of awards received for the following:

Chapter activities	\$140,530
Building organizing capacity	76,535
General Support	67,389
Nakba Education Project	7,897
Other activities	<u>556</u>
Total temporarily restricted net assets	\$292,907

**5. Prior Period Adjustment**

An adjustment has been made to beginning net assets to reflect the Organization's obligation for sabbatical benefits as of June 30, 2015. The sabbatical obligation had not previously been reflected in JVP's financial statements.

**A Jewish Voice for Peace**  
**Notes to Financial Statements**  
**for the Year Ended June 30, 2016**

**6. 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 \$55,499 and sublease income was \$4,527.

During the year, JVP also rented a satellite office in Brooklyn, New York under a five-year operating lease that expires in 2020. The lease agreement calls for initial monthly base rent of \$3,500, followed by annual increases of 5% for the duration of the lease term. Rent expense for the period totaled \$44,575.

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

For the fiscal year ending June 30:

2017	\$88,386
2018	91,737
2019	95,105
2020	<u>50,223</u>
Total future minimum lease payments	\$325,451

**7. Contractual Commitment**

In connection with its upcoming 2017 membership meeting, JVP has signed a hotel contract with a minimum purchase requirement of \$150,000. Of this amount, \$50,000 was paid prior to June 30, 2016, and is reflected in prepaid expenses. The remainder of the commitment will be paid in the fiscal year ending June 30, 2017.

**8. Line of Credit**

JVP has access to a bank line of credit with a limit of \$60,000. Outstanding balances incur interest at a variable rate, which was 10.25% as of June 30, 2016. No amounts had been drawn down as of June 30, 2016.

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

As of June 30, 2016, JVP held cash deposits that exceeded FDIC insurance limits by approximately \$366,000.

**A Jewish Voice for Peace**  
**Notes to Financial Statements**  
**for the Year Ended June 30, 2016**

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

In preparing these financial statements, management has evaluated events for potential recognition or disclosure through March 17, 2017, the date the financial statements were available to be issued.