

VETERANS FOR PEACE, INC.

REVIEWED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

VETERANS FOR PEACE, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Veterans For Peace, Inc.
St. Louis, Missouri

We have reviewed the accompanying financial statements of Veterans For Peace, Inc. (a Non-Profit Organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurances as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1, the financial statements referred to above include only the activities of the national headquarters located in St. Louis, Missouri and do not include the activities of any other independent chapter and at-large member. Accordingly, the accompanying financial statements are not intended to present the financial position of any other independent chapter or at-large member as of December 31, 2016, or its results of operations for the year then ended.

Randle & Associates, LLC, CPAs

Florissant, Missouri
June 12, 2017

VETERANS FOR PEACE, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2016 and 2015

SEE ACCOUNTANT'S REVIEW REPORT

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and equivalents	\$ 546,642	\$ 324,572
Inventories	9,232	7,730
Prepaid expenses	<u>1,062</u>	<u>1,095</u>
Total current assets	556,936	333,397
Property and equipment	<u>1,909</u>	<u>720</u>
Total assets	<u><u>\$ 558,845</u></u>	<u><u>\$ 334,117</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 1,435	\$ 142
Accrued expenses	<u>8,763</u>	<u>6,403</u>
Total current liabilities	10,198	6,545
Net Assets:		
Unrestricted	452,232	265,477
Temporarily restricted	96,415	62,095
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	548,647	327,572
Total Liabilities and Net Assets	<u><u>\$ 558,845</u></u>	<u><u>\$ 334,117</u></u>

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

STATEMENT OF ACTIVITIES Years Ended December 31, 2016 and 2015

SEE ACCOUNTANT'S REVIEW REPORT

	2016			2015 (Comparative Total)
	Unrestricted	Temporarily Restricted	Total	
Support:				
Contributions and bequests	\$ 531,760	\$ 279,617	\$ 811,377	\$ 252,488
Other income	4	-	4	30
Revenues:				
Member dues	126,564	-	126,564	138,690
Sales of educational and promotional items	31,353	-	31,353	21,288
Project management fees	5,818	-	5,818	2,566
Convention revenue	145,216	-	145,216	70,806
Fiscal sponsor	1,896	-	1,896	3,046
Interest income	1,082	-	1,082	1,357
Gain (loss) on disposal of assets	244	-	244	(671)
Total	<u>843,937</u>	<u>279,617</u>	<u>1,123,554</u>	<u>489,600</u>
Net assets released from restrictions	<u>245,297</u>	<u>(245,297)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>1,089,234</u>	<u>34,320</u>	<u>1,123,554</u>	<u>489,600</u>
Expenses:				
Program services	694,344	-	694,344	337,479
Fundraising and special events	84,875	-	84,875	103,382
General and administrative	123,260	-	123,260	106,482
Total expenses	<u>902,479</u>	<u>-</u>	<u>902,479</u>	<u>547,343</u>
Increase (Decrease) in Net Assets	186,755	34,320	221,075	(57,743)
Net Assets, Beginning of Year	<u>265,477</u>	<u>62,095</u>	<u>327,572</u>	<u>385,315</u>
Net Assets, End of Year	<u>\$ 452,232</u>	<u>\$ 96,415</u>	<u>\$ 548,647</u>	<u>\$ 327,572</u>

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

STATEMENT OF CASH FLOWS Years Ended December 31, 2016 and 2015

SEE ACCOUNTANT'S REVIEW REPORT

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Increase (Decrease) in net assets	\$ 221,075	\$ (57,743)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	245	245
(Increase) decrease in assets		
Accounts receivable	-	-
Inventories	(1,502)	1,502
Prepaid expenses	33	4,036
Increase (decrease) in liabilities:		
Accounts payable	1,293	142
Accrued expenses	<u>2,360</u>	<u>3,079</u>
Net cash provided (used) by operating activities	<u>223,504</u>	<u>(48,739)</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	<u>(1,434)</u>	-
	(1,434)	-
Net Increase (Decrease) in Cash	222,070	(48,739)
Cash and equivalents - Beginning of Year	<u>324,572</u>	<u>373,311</u>
Cash and equivalents - End of Year	<u>\$ 546,642</u>	<u>\$ 324,572</u>
Supplemental Disclosures		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

STATEMENT OF FUNCTIONAL EXPENSES Years Ended December 31, 2016 and 2015

SEE ACCOUNTANT'S REVIEW REPORT

	Program Services	Support Services		2016 Total	2015 Comparative Total
		Fundraising	General and Administrative		
Salaries	\$ 117,198	\$ 49,918	\$ 49,918	\$ 217,033	\$ 224,687
Payroll tax expense	8,617	3,670	3,670	15,957	20,392
Total personnel costs	125,815	53,588	53,588	232,990	245,079
Project expenditures	245,042	-	-	245,042	44,158
Educational and promotional items	25,328	-	-	25,328	14,534
Convention expenses	185,042	-	-	185,042	71,512
Advertising and marketing	1,704	-	-	1,704	926
Bank and processing charges	-	-	13,328	13,328	8,979
Computer services	36,362	6,826	2,730	45,918	27,304
Contracted services	3,920	-	17,610	21,530	1,533
Depreciation	-	-	245	245	245
Donations	2,030	-	-	2,030	8,897
Dues and subscriptions	-	-	483	483	-
Entertainment and meals	223	-	-	223	283
Fiscal sponsor	4,996	-	-	4,996	1,950
Fundraising	-	3,614	-	3,614	20,637
Insurance	806	-	4,272	5,078	2,461
Legal and accounting	-	-	9,795	9,795	9,620
Miscellaneous	-	-	3,073	3,073	469
Moving expense	-	-	-	-	8,309
Office expense	1,994	797	1,196	3,987	4,807
Postage and mailing	-	8,052	1,029	9,081	7,644
Printing	16,081	2,268	4,410	22,760	21,577
Professional development	210	-	-	210	359
Rent	6,906	2,338	3,506	12,750	11,688
Telephone	3,720	905	1,508	6,133	6,030
Travel	33,229	5,923	5,923	45,075	25,945
Utilities	936	564	564	2,064	2,397
	<u>\$ 694,344</u>	<u>\$ 84,875</u>	<u>\$ 123,260</u>	<u>\$ 902,479</u>	<u>\$ 547,343</u>

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Activities

Veterans For Peace, Inc. (the Organization) has independent chapters and at-large members located throughout the United States and Puerto Rico. These financial statements reflect only the activities of the national headquarters located in St. Louis, Missouri and do not purport to include any activity of other independent chapters or at-large members.

The national headquarters located in St. Louis, Missouri of the Veterans For Peace, Inc. was incorporated in 1985 under the non-profit statutes of the State of Maine. Its purpose is to promote alternatives to war by addressing the issues of national and international policies through peaceful and non-violent means.

The Organization's principal sources of revenue are from the collection of members' dues, charitable contributions and sales of educational and promotional items. It also earns fees for administering funds for various projects sponsored by member chapters.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect significant receivables, payables, and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the requirements of Financial Accounting Standards Board. Therefore, the Organization reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets consist of resources available for the various programs and administration of the Organization which have not been restricted by a donor.

Temporarily restricted net assets consist of donor restricted contributions. Temporarily restricted contributions may expire either by the passage of time or by certain actions taken by the Organization which fulfill the restriction.

Permanently restricted net assets consist of donor restricted contributions which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes in accordance with donor stipulations. The Organization did not have any permanently restricted net assets for the years ended December 31, 2016 or 2015.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Organization's cash and cash equivalents consist of demand accounts, cash management funds and money market accounts. Cash and cash equivalents are stated at fair value. Earnings on the cash and equivalents are reflected in the statement of activities.

Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash, grants 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 a purpose restriction is fulfilled, temporarily restricted net assets, are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Inventories

Inventories consist of books, videos and promotional items purchased for resale. Inventories are valued at average cost. No effort is made to determine whether cost exceeds market value.

Fixed Assets

Fixed assets are stated at cost, if purchased, and fair value at the time of donation, if donated. According to the Organization's capitalization policy, all fixed assets purchased or donated exceeding \$500 are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets ranging from 3 to 10 years.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that relate directly to a specific program or support service are allocated according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical methods.

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 Tax Status

Veterans For Peace, Inc. is tax-exempt under Section 501c (3) of the Internal Revenue Service Code. As such, the Organization is only taxed on income from any activities unrelated to its charitable purpose. The Organization did not have any unrelated business income for 2016 or 2015; therefore, the statements do not include any provision for income taxes. Additionally, the Organization qualifies for charitable contribution deductions under Section 170(b) (1) (A).

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Organization has adopted the standards for accounting for uncertainty in income taxes and management is not aware of any uncertain tax provisions of the Organization related to the tax filings.

The Organization continually evaluates the effects of all tax positions taken including expiring statutes of limitations, tax examinations, unrelated business income and new authoritative rulings. The Organization files federal information returns (Form 990). The statutes of limitations for information returns filed for the years ended December 31, 2013, through 2016 have not expired and therefore are subject to examination.

Reclassifications

Certain summarized amounts in the prior year statement of functional expenses presented have been reclassified to conform to the current year financial statement presentation. These reclassifications have no effect on previously reported net assets.

Comparative Financial Statements

These financial statements include summarized comparative prior-year information in the statements of activities and statements of functional expenses. That information does not contain sufficient detail to conform with generally accepted accounting principles. Therefore, this information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015.

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through June 12, 2017, the date which the financial statements were available to be issued.

NOTE 2 – Concentration of Credit Risk

The Organization maintains cash deposits in bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The Organization's cash deposit accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 – Fixed Assets

Fixed assets, consists of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Office furniture and fixtures	\$ 2,465	\$ 1,030
Computer equipment	<u>6,464</u>	<u>6,464</u>
Total	8,929	7,494
Less: accumulated depreciation	<u>(7,020)</u>	<u>(6,774)</u>
Fixed assets, net	\$ <u>1,909</u>	\$ <u>720</u>

Depreciation charged to expense was \$245 for both the years ended December 31, 2016 and 2015.

NOTE 4 – Restrictions on Net Assets

Temporarily restricted net assets relate to contributions and unexpended funds from projects managed by the Organization's national headquarters. Temporary restricted net assets are restricted for the use in the following projects:

	<u>2016</u>	<u>2015</u>
Communications	\$ 5	\$ 5
David Cline Memorial Fund	1,482	1,500
Deported Vets Chapter 176	(2,901)	0
Ferguson Travel Fund	504	504
Golden Rule	232	0
Iraq Water Project	8,658	9,750
Islamophobia	27,666	0
Korean Peace Campaign	1,949	2,079
National Campaign to End Korean War	442	442
Non-Violence Activist Training	1,000	1,000
Peace in Our Times	10,095	3,749
Stop These Wars	4,565	1,180
VFP Chapter 160	1,200	0
War Crimes Times	(463)	(463)
War Economy	251	251
Zinn Fund – Chapters' Portion	44	(2,825)
Zinn Fund for Peace and Justice	<u>41,686</u>	<u>44,923</u>
	\$ <u>96,415</u>	\$ <u>62,095</u>

VETERANS FOR PEACE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 5 – Operating Lease Commitments

The Organization entered into an operating lease for the location of its administrative office on December 11, 2014. The lease required monthly payments of \$1,063 for the lease term of one year from January 2015 through December 31, 2015. On October 16, 2015, the Organization agreed to an extension of the lease for one year extending the lease period through December 31, 2016 at the monthly rental of \$1,063. Payments made pursuant to the office space lease are reported as rent in the statement of functional expenses and totaled \$12,750 and \$11,688 for the years ended December 31, 2016 and 2015, respectively.

NOTE 6 – Subsequent Events

The date to which events occurring after December 31, 2015 have been evaluated for possible adjustment to the financial statements or disclosure is June 12, 2017, which is the date on which the financial statements were available to be issued.

Based on the evaluation, management has determined that there are no additional matters that would require an adjustment to the financial statements or additional disclosures.

