



RANDLE & ASSOCIATES, LLC
Certified Public Accountants

VETERANS FOR PEACE, INC.

REVIEWED

FINANCIAL STATEMENTS

Years Ended December 31, 2018 and 2017

VETERANS FOR PEACE, INC.

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RANDLE & ASSOCIATES, LLC, CPAs

Certified Public Accountants

(314) 731-8085

www.randlecpa.com

70 Black Jack Ct.
Florissant, MO 63033

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, 2018 and 2017, and the related statements of activities, cash flows and functional expenses for the years 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, we are 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, 2018 and 2017, or its results of operations for the years then ended.

Randle & Associates, LLC, CPAs

Florissant, Missouri
July 29, 2019

VETERANS FOR PEACE, INC.

STATEMENT OF FINANCIAL POSITION December 31, 2018 and 2017

SEE ACCOUNTANT'S REVIEW REPORT

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and equivalents	\$ 367,648	\$ 427,481
Inventories	16,838	13,192
Prepaid expenses	<u>1,062</u>	<u>-</u>
Total current assets	385,548	440,673
Furniture and equipment, net	<u>1,418</u>	<u>1,663</u>
Total assets	<u><u>\$ 386,966</u></u>	<u><u>\$ 442,336</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 1,435	\$ -
Accrued expenses	<u>6,637</u>	<u>5,860</u>
Total current liabilities	8,072	5,860
Net Assets:		
Without donor restrictions	278,474	327,396
With donor restrictions	<u>100,420</u>	<u>109,080</u>
Total net assets	378,894	436,476
Total Liabilities and Net Assets	<u><u>\$ 386,966</u></u>	<u><u>\$ 442,336</u></u>

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

STATEMENT OF ACTIVITIES Years Ended December 31, 2018 and 2017

SEE ACCOUNTANT'S REVIEW REPORT

	2018		Total	2017 (Comparative Total)
	Without Donor Restrictions	With Donor Restrictions		
Support:				
Contributions and bequests	\$ 239,737	\$ 82,882	\$ 322,619	\$ 333,499
Other income	541	-	541	6,983
Revenues:				
Member dues	139,979	-	139,979	134,606
Sales of educational and promotional items	39,185	-	39,185	36,180
Project management fees	6,426	-	6,426	2,488
Convention revenue	70,916	-	70,916	55,877
Fiscal sponsor	4,430	-	4,430	15,775
Interest income	1,835	-	1,835	2,373
Gain (loss) on disposal of assets	(313)	-	(313)	(93)
Total	<u>502,736</u>	<u>82,882</u>	<u>585,618</u>	<u>587,688</u>
Net assets released from restrictions	<u>91,542</u>	<u>(91,542)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>594,278</u>	<u>(8,660)</u>	<u>585,618</u>	<u>587,688</u>
Expenses:				
Program services	426,703	-	426,703	477,225
Fundraising and special events	96,097	-	96,097	90,177
General and administrative	120,400	-	120,400	132,457
Total expenses	<u>643,200</u>	<u>-</u>	<u>643,200</u>	<u>699,859</u>
Increase (Decrease) in Net Assets	(48,922)	(8,660)	(57,582)	(112,171)
Net Assets, Beginning of Year, as previously reported	351,511	84,965	436,476	548,647
Adjustment - reclassifications	<u>(24,115)</u>	<u>24,115</u>	<u>-</u>	<u>-</u>
Net Assets, Beginning of Year, as restated	327,396	109,080	436,476	548,647
Net Assets, End of Year	<u>\$ 278,474</u>	<u>\$ 100,420</u>	<u>\$ 378,894</u>	<u>\$ 436,476</u>

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

STATEMENT OF CASH FLOWS Years Ended December 31, 2018 and 2017

SEE ACCOUNTANT'S REVIEW REPORT

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Increase (Decrease) in net assets	\$ (57,582)	\$ (112,171)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	245	245
(Increase) decrease in assets		
Inventories	(3,646)	(3,960)
Prepaid expenses	(1,062)	1,062
Increase (decrease) in liabilities:		
Accounts payable	1,435	(1,434)
Accrued expenses	777	(2,903)
Net cash provided (used) by operating activities	<u>(59,833)</u>	<u>(119,161)</u>
Cash Flows from Investing Activities:		
Purchase of furniture and equipment	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	(59,833)	(119,161)
Cash and equivalents - Beginning of Year	<u>427,481</u>	<u>546,642</u>
Cash and equivalents - End of Year	<u>\$ 367,648</u>	<u>\$ 427,481</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, 2018 and 2017

SEE ACCOUNTANT'S REVIEW REPORT

	<u>Support Services</u>			2018 Total	<i>2017 Comparative Total</i>
	Program Services	Fundraising	General and Administrative		
Salaries	\$ 122,332	\$ 52,104	\$ 52,104	\$ 226,540	\$ 216,300
Payroll tax expense	11,008	4,689	4,689	20,385	19,332
Total personnel costs	<u>133,340</u>	<u>56,793</u>	<u>56,793</u>	246,925	235,632
Project expenditures	91,483	-	-	91,483	81,997
Educational and promotional items	31,801	-	-	31,801	23,533
Convention expenses	80,314	-	-	80,314	122,364
Advertising and marketing	507	-	-	507	6,359
Bank and processing charges	-	-	9,190	9,190	10,865
Computer services	23,008	6,826	2,730	32,564	34,846
Contracted services	0	-	17,840	17,840	24,256
Depreciation	-	-	245	245	245
Donations	1,700	-	-	1,700	2,137
Dues and subscriptions	-	-	452	452	948
Entertainment and meals	706	-	-	706	1,824
Fiscal sponsor	3,080	-	-	3,080	17,516
Fundraising	-	16,719	-	16,719	4,211
Insurance	806	-	3,673	4,479	4,508
Interest	-	-	-	-	119
Legal and accounting	-	-	10,408	10,408	10,105
Miscellaneous	-	-	4,856	4,856	4,526
Moving expense	-	-	-	-	-
Office expense	1,507	603	904	3,013	6,498
Postage and mailing	-	5,426	1,809	7,235	14,031
Printing	9,696	0	0	9,696	18,423
Professional development	199	-	-	199	70
Rent	8,419	2,338	3,506	14,263	12,750
Telephone	4,217	905	1,508	6,630	6,468
Travel	33,158	5,923	5,923	45,004	52,095
Utilities	2,763	564	564	3,891	3,533
	<u>\$ 426,703</u>	<u>\$ 96,097</u>	<u>\$ 120,400</u>	<u>\$ 643,200</u>	<u>\$ 699,859</u>

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

The Organization's financial statement presentation follows the requirements of the Financial Accounting Standards Board. Accordingly, the Organization reports its financial position and activities in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions generally consist of resources available for the various programs and supporting activities of the Organization which have not been restricted by the donor. This class of net assets also includes resources that have been designated by the Organization's governing board for specified purposes.

Net assets with donor restrictions consist of resources that are to be used for specified purposes according to donor-imposed restrictions. These restrictions may expire either by the passage of time or by actions taken by the Organization which fulfill the restriction. This class of net assets also includes resources with perpetual restrictions, and the income from such assets is available for either general operations or specific purposes in accordance with donor stipulations.

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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).

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, 2015 through 2018, have not expired and therefore are subject to examination.

New Accounting Pronouncement

The Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – *Not-for-Profit Entities (topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. New disclosure on liquidity and availability of resources has also been included (Note 5).

Reclassifications

The accompanying information from the 2017 financial statements has been restated to conform to the 2018 presentation and disclosure requirements of ASU 2016-14. These reclassifications have no effect on the total previously reported net assets.

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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, 2017.

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 29, 2019, 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.

NOTE 3 – Furniture and Equipment

Furniture and equipment, consists of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Office furniture and fixtures	\$ 2,465	\$ 2,465
Computer equipment	<u>6,464</u>	<u>6,464</u>
Total	8,929	8,929
Less: accumulated depreciation	<u>(7,511)</u>	<u>(7,266)</u>
Fixed assets, net	<u>\$ 1,418</u>	<u>\$ 1,663</u>

Depreciation charged to expense was \$245 for both the years ended December 31, 2018 and 2017.

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4 – Donor Restrictions on Net Assets

Net assets with donor restrictions relate to unexpended contributions restricted for projects managed by the Organization’s national headquarters. Net assets with donor restrictions are for the use in the following purposes:

	<u>2018</u>	<u>2017</u> (Restated)
Communications	\$ 5	\$ 5
David Cline Memorial Fund	2,112	1,949
Delegation Fund	6,579	5,905
Deported Vets Chapter 176	2,285	1,477
Golden Rule	(4,956)	219
International Veterans Program	44,700	-
Iraq Water Project	1,961	8,111
Islamophobia	(7,869)	18,003
Korean Peace Campaign	2,433	2,533
National Campaign to End Korean War	148	148
Non-Violence Activist Training	(322)	1,000
Peace in Our Times	7,499	9,185
Travel Outreach	10,852	17,053
VFP Chapter 160	1,000	1,000
Vietnam Full Disclosure	(558)	-
Zinn Fund – Chapters’ Portion	(1,000)	7,083
Zinn Fund for Peace and Justice	<u>35,551</u>	<u>35,409</u>
	<u>\$ 100,420</u>	<u>\$ 109,080</u>

NOTE 5 – Liquidity and Availability of Financial Assets

The Organization has financial assets available within 1 year of the balance sheet date to meet cash needs for general expenses consisting of cash and equivalents of \$358,146 and short-term investments that can be converted to cash on demand in the amount of \$9,477 for a total of \$367,648. Of the total resources available, \$100,420 is subjected to donor restrictions. Financial assets available to meet cash needs for general expenditures within one year of the statement of financial position amount to \$285,520. The Organization is establishing a goal to maintain financial assets on hand to meet 90 – days of normal operating expenses, which amounts to approximately \$160,000.

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 6 – Operating Lease Commitments

The Organization entered into an operating lease for the location of its administrative office on December 11, 2014. The original lease term was for one year from January 2015 through December 31, 2015, with the option for annual extensions. The Organization executed the second and third extensions on the lease extending the lease period through December 31, 2017 and 2018, at monthly rentals of \$1,063 and \$1,100, respectively. Payments made pursuant to the office space lease are reported as rent in the statement of functional expenses and totaled \$13,200 and \$12,750 for the years ended December 31, 2018 and 2017, respectively.

NOTE 7 – Subsequent Events

The date to which events occurring after December 31, 2018 have been evaluated for possible adjustment to the financial statements or disclosure is July 29, 2019, 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.