



RANDLE & ASSOCIATES, LLC
Certified Public Accountants

VETERANS FOR PEACE, INC.

REVIEWED

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

VETERANS FOR PEACE, INC.

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RANDLE & ASSOCIATES, LLC, CPAs

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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, 2019 and 2018, 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, 2019 and 2018, or its results of operations for the years then ended.

Randle & Associates, LLC, CPAs

Florissant, Missouri
September 24, 2020

VETERANS FOR PEACE, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2019 and 2018

SEE ACCOUNTANT'S REVIEW REPORT

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash and equivalents	\$ 209,361	\$ 367,648
Inventories	14,898	16,838
Prepaid expenses	<u>-</u>	<u>1,062</u>
Total current assets	224,259	385,548
Furniture and equipment, net	<u>1,173</u>	<u>1,418</u>
Total assets	<u>\$ 225,432</u>	<u>\$ 386,966</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ -	\$ 1,435
Accrued expenses	<u>2,761</u>	<u>6,637</u>
Total current liabilities	2,761	8,072
Net Assets:		
Without donor restrictions	106,301	278,474
With donor restrictions	<u>116,370</u>	<u>100,420</u>
Total net assets	222,671	378,894
Total Liabilities and Net Assets	<u>\$ 225,432</u>	<u>\$ 386,966</u>

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

STATEMENT OF ACTIVITIES
Years Ended December 31, 2019 and 2018

SEE ACCOUNTANT'S REVIEW REPORT

	2019			2018 (Comparative Total)
	Without Donor Restrictions	With Donor Restrictions	Total	
Support:				
Contributions and bequests	\$ 222,795	\$ 39,485	\$ 262,280	\$ 322,619
Other income	-	-	-	541
Revenues:				
Member dues	132,345	-	132,345	139,979
Sales of educational and promotional items	32,866	-	32,866	39,185
Project management fees	2,867	-	2,867	6,426
Convention revenue	55,769	-	55,769	70,916
Fiscal sponsor	8,525	-	8,525	4,430
Interest income	1,731	-	1,731	1,835
Gain (loss) on disposal of assets	1,210	-	1,210	(313)
Total	458,108	39,485	497,593	585,618
Net assets released from restrictions	23,535	(23,535)	-	-
Total support and revenues	481,643	15,950	497,593	585,618
Expenses:				
Program services	420,082	-	420,082	426,703
Fundraising and special events	104,834	-	104,834	96,097
General and administrative	128,900	-	128,900	120,400
Total expenses	653,816	-	653,816	643,200
Increase (Decrease) in Net Assets	(172,173)	15,950	(156,223)	(57,582)
Net Assets, Beginning of Year	278,474	100,420	378,894	436,476
Adjustment - reclassifications	-	-	-	-
Net Assets, Beginning of Year, as restated	278,474	100,420	378,894	436,476
Net Assets, End of Year	\$ 106,301	\$ 116,370	\$ 222,671	\$ 378,894

4,173

The accompanying notes are an integral part of these financial statements

VETERANS FOR PEACE, INC.

STATEMENT OF CASH FLOWS Years Ended December 31, 2019 and 2018

SEE ACCOUNTANT'S REVIEW REPORT

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Increase (Decrease) in net assets	\$ (156,223)	\$ (57,582)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	245	245
(Increase) decrease in assets		
Inventories	1,940	(3,646)
Prepaid expenses	1,062	(1,062)
Increase (decrease) in liabilities:		
Accounts payable	(1,435)	1,435
Accrued expenses	(3,876)	777
Net cash provided (used) by operating activities	<u>(158,287)</u>	<u>(59,833)</u>
Cash Flows from Investing Activities:		
Purchase of furniture and equipment	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	(158,287)	(59,833)
Cash and equivalents - Beginning of Year	<u>367,648</u>	<u>427,481</u>
Cash and equivalents - End of Year	<u>\$ 209,361</u>	<u>\$ 367,648</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, 2019 and 2018

SEE ACCOUNTANT'S REVIEW REPORT

	Program Services	Support Services		2019 Total	2018 Comparative Total
		Fundraising	General and Administrative		
Salaries	\$ 121,272	\$ 51,653	\$ 51,653	\$ 224,578	\$ 216,300
Payroll tax expense	9,719	4,140	4,140	17,998	19,332
Total personnel costs	130,991	55,792	55,792	242,576	235,632
Project expenditures	67,255	-	-	67,255	81,997
Educational and promotional items	27,213	-	-	27,213	23,533
Convention expenses	78,259	-	-	78,259	122,364
Advertising and marketing	3,402	-	-	3,402	6,359
Bank and processing charges	9,116	-	944	10,060	10,865
Computer services	26,812	6,826	2,730	36,368	34,846
Contracted services	0	-	15,360	15,360	24,256
Depreciation	-	-	245	245	245
Donations	1,000	-	-	1,000	2,137
Dues and subscriptions	-	-	140	140	948
Entertainment and meals	887	-	-	887	1,824
Fiscal sponsor	8,250	-	-	8,250	17,516
Fundraising	-	22,230	-	22,230	4,211
Insurance	806	-	21,664	22,470	4,508
Interest	-	-	-	-	119
Professional fees	-	-	11,833	11,833	10,105
Miscellaneous	-	-	2,329	2,329	4,526
Moving expense	-	-	-	-	-
Office expense	2,445	978	1,467	4,889	6,498
Postage and mailing	-	8,159	2,720	10,879	14,031
Printing	7,852	1,119	2,175	11,145	18,423
Professional development	105	-	-	105	70
Rent	6,256	2,338	3,506	12,100	12,750
Telephone	3,618	905	1,508	6,031	6,468
Travel	43,156	5,923	5,923	55,002	52,095
Utilities	2,660	564	564	3,788	3,533
	<u>\$ 420,082</u>	<u>\$ 104,834</u>	<u>\$ 128,900</u>	<u>\$ 653,816</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, 2019 AND 2018

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, 2019 AND 2018

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, 2019 AND 2018

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 2018 financial statements has been restated to conform to the 2019 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, 2019 AND 2018

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, 2018.

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through September 24, 2020, 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, 2019 and 2018:

	<u>2019</u>	<u>2018</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>(7,756)</u>	<u>(7,511)</u>
Fixed assets, net	<u>\$ 1,173</u>	<u>\$ 1,418</u>

Depreciation charged to expense was \$245 for both the years ended December 31, 2019 and 2018.

VETERANS FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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>2019</u>	<u>2018</u>
Communications	\$ 5	\$ 5
David Cline Memorial Fund	2,112	2,112
Delegation Fund	9,578	6,579
Deported Vets Chapter 176	5,354	2,285
Golden Rule	50	(4,956)
International Veterans Program	44,929	44,700
Iraq Water Project	3,462	1,961
Islamophobia	-	(7,869)
Korean Peace Campaign	1,292	2,433
National Campaign to End Korean War	148	148
Non-Violence Activist Training	-	(322)
Peace in Our Times	2,797	7,499
Travel Outreach	7,602	10,852
VFP Chapter 160	-	1,000
Vietnam Full Disclosure	-	(558)
Zinn Fund – Chapters' Portion	3,346	(1,000)
Zinn Fund for Peace and Justice	<u>35,693</u>	<u>35,551</u>
	<u>\$ 116,370</u>	<u>\$ 100,420</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 \$301,387 and \$358,146 for the years ending December 31, 2019 and 2018, respectively and short-term investments that can be converted to cash on demand in the amount of \$11,343 and \$9,477 for a total of \$209,361 and \$367,648, respectively. Of the total resources available, \$116,370 and \$100,420 is subjected to donor restrictions at December 31, 2019 and 2018, respectively. 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, 2019 AND 2018**

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 extensions on the lease extending the lease period through December 31, 2019 at monthly rentals ranging from \$1,100, respectively. Payments made pursuant to the office space lease are reported as rent in the statement of functional expenses and totaled \$12,100 and \$13,200 for the years ended December 31, 2019 and 2018, respectively.

NOTE 7 – Subsequent Events

The date to which events occurring after December 31, 2019 have been evaluated for possible adjustment to the financial statements or disclosure is September 24, 2020, which is the date on which the financial statements were available to be issued.

During July 2020, the Organization relocated its administrative office to a smaller location under a month to month rental.

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.