

A.J. MUSTE MEMORIAL INSTITUTE, INC  
FINANCIAL REPORT  
JUNE 30, 2015 AND 2014

A.J. MUSTE MEMORIAL INSTITUTE, INC  
FOR THE YEARS ENDED  
JUNE 30, 2015 AND 2014

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
AJ Muste Memorial Institute, Inc.  
339 Lafayette Street  
New York, NY 10012

We have audited the accompanying financial statements of AJ Muste Memorial Institute, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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 the assessment of the risks of 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 AJ Muste Memorial Institute, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Ross Wisdom CPA, PLLC  
Certified Public Accountant

New York, NY  
November 15, 2015

**A. J. MUSTE MEMORIAL INSTITUTE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2015 AND 2014**

**ASSETS**

	2015	2014
<b>Current assets</b>		
Cash (note 3)	\$269,552	\$34,803
Investments - (note 5)	614,055	815,131
Literature inventory (note 4)	13,732	14,365
Grants and bequests receivable	233	
Rents receivable (net)	16,838	10,969
Prepaid and other assets	41,937	40,391
<b>Total current assets</b>	<b>956,347</b>	<b>915,659</b>
 <b>Property and equipment</b>		
Land	55,000	55,000
Building	37,736	37,736
Building improvements	219,365	219,365
Furniture and equipment	12,789	12,789
Library	3,629	3,629
Less: Depreciation and amortization	(163,815)	(157,472)
<b>Total property &amp; equipment (net)</b>	<b>164,704</b>	<b>171,047</b>
<b>TOTAL ASSETS</b>	<b>\$1,121,051</b>	<b>\$1,086,706</b>

**LIABILITIES & NET ASSETS**

	2015	2014
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$19,836	\$7,200
Pension payable (note 8)	123	
Tenants security deposits	16,854	25,401
Grants payable (note 6)	186,208	43,003
<b>Total current liabilities</b>	<b>223,021</b>	<b>75,604</b>
 <b>Net assets</b>		
Unrestricted net assets	16,821	209,859
Unrestricted board designated funds (note 7)	383,437	502,470
Temporarily restricted net assets - Endowment Fund (note 7)	497,772	298,773
<b>Total net assets</b>	<b>898,030</b>	<b>1,011,102</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,121,051</b>	<b>\$1,086,706</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

**A. J. MUSTE MEMORIAL INSTITUTE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Support and Revenue</b>		
Unrestricted revenue and support		
Grants and contributions	\$864,485	\$544,329
Rental income and air rights access - (building)	342,189	287,470
Literature income (net)	577	336
Interest, dividend and capital gains income	22,675	25,337
Net realized gains	25,640	
Net unrealized gains		38,486
Other income	744	
Net assets released from restrictions	18,933	292,038
<b>TOTAL SUPPORT AND REVENUE</b>	<b><u>1,275,243</u></b>	<b><u>1,187,996</u></b>
<b>Expenses</b>		
Program services	1,117,994	934,924
Management and general	88,468	71,233
Fundraising	39,184	33,695
Net realized losses		125
Net unrealized losses	75,257	
Building expenses (net)	266,411	231,247
<b>TOTAL EXPENSES</b>	<b><u>1,587,314</u></b>	<b><u>1,271,224</u></b>
<b>Increase (decrease) in unrestricted net assets</b>	<b><u>(312,071)</u></b>	<b><u>(83,228)</u></b>
<b>Temporarily restricted net assets</b>		
Grants and contributions	232,165	60,841
Investment income	16,921	15,813
Net unrealized gains (losses)	(31,154)	10,199
Net assets released from restrictions	(18,933)	(292,038)
<b>Increase (decrease) in temporarily restricted net assets</b>	<b><u>198,999</u></b>	<b><u>(205,185)</u></b>
<b>Increase (decrease) in net assets</b>	<b><u>(113,072)</u></b>	<b><u>(288,413)</u></b>
<b>Net assets at the beginning of year (note 13)</b>	<b><u>1,011,102</u></b>	<b><u>1,299,515</u></b>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b><u>\$898,030</u></b>	<b><u>\$1,011,102</u></b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

**A. J. MUSTE MEMORIAL INSTITUTE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Total	Program Services	Management and General	Fund- Raising
Grants	\$952,398	\$952,398		
Officers' compensation (net)	127,025	87,330	\$23,817	\$15,878
Other salaries and wages	23,346	6,485	10,376	6,485
Pension plan contributions (note 8)	4,225	2,230	1,215	780
Employee benefits	15,523	8,191	4,563	2,769
Payroll taxes	12,500	7,799	2,842	1,859
Accounting fees	8,750		8,750	
Amortization	159	119	40	
Bank charges	1,300		1,300	
Consultants	14,505	12,466	2,039	
Depreciation	1,427	1,070	357	
Filing fees	275		275	
Insurance	4,757	181	4,498	78
Internet service	5,643	2,329	1,124	2,190
Membership fees	550		550	
Miscellaneous	140		140	
Occupancy (15% of Bulding Exp.)	47,013	35,260	11,753	
Payroll service fees	937	585	213	139
Postage and delivery	4,425	547	228	3,650
Printing and publications	5,202	912		4,290
Professional fees	12,443		11,468	975
Supplies	2,373		2,373	
Telephone	730	92	547	91
<b>TOTAL EXPENSES</b>	<b>\$1,245,646</b>	<b>\$1,117,994</b>	<b>\$88,468</b>	<b>\$39,184</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

**A. J. MUSTE MEMORIAL INSTITUTE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Total</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fund- Raising</b>
Grants	\$790,519	\$790,519		
Officers' compensation (net)	84,736	58,256	\$15,888	\$10,592
Other salaries and wages	22,027	6,118	9,790	6,119
Pension plan contributions (note 8)	7,767	4,824	1,781	1,162
Employee benefits	14,801	7,717	4,720	2,364
Payroll taxes	8,578	5,389	1,928	1,261
Accounting fees	7,200		7,200	
Advertising	460		460	
Amortization	159	119	40	
Bank charges	1,317		1,317	
Consultants	26,156	23,370	2,786	
Depreciation	1,427	1,070	357	
Filing fees	275		275	
Insurance	1,882	966	498	418
Internet service	9,560	3,945	1,905	3,710
Miscellaneous	513		513	
Occupancy	40,808	30,606	10,202	
Payroll service fees	828	520	186	122
Postage and delivery	3,340	413	172	2,755
Printing and publications	4,620	810		3,810
Professional fees	8,249		7,149	1,100
Supplies	2,376		2,376	
Telephone	2,254	282	1,690	282
<b>TOTAL EXPENSES</b>	<b>\$1,039,852</b>	<b>\$934,924</b>	<b>\$71,233</b>	<b>\$33,695</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT



**A. J. MUSTE MEMORIAL INSTITUTE, INC.**  
**SCHEDULE OF BUILDING EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Amortization	\$476	\$476
Bad debt expense	68,965	
Bid assessments	770	770
Conferences and conventions	158	197
Depreciation	4,281	4,281
Electricity	18,287	15,803
Employee benefits	3,036	7,403
Fines and penalties		950
Fuel	18,830	25,052
Insurance	28,950	26,685
Legal and professional fees	16,500	21,329
Maintenance and repairs	26,581	57,534
Officers' compensation	31,757	21,184
Other salaries and wages	18,424	16,690
Payroll service fees	313	304
Payroll taxes	4,171	3,149
Pension plan contributions (note 8)	1,939	2,804
Permits and fees		2,156
Postage and delivery	137	103
Printing and copying	161	143
Property taxes	58,276	54,657
Refuse Removal	4,325	4,399
Supplies	682	683
Telephone	182	563
Travel		617
Water and sewer	6,224	4,123
	<hr/>	<hr/>
<b>Total building expenses</b>	<b>313,425</b>	<b>272,055</b>
<b>Less: allocation of building expenses to Institute for occupancy (15%)</b>	<b>(47,014)</b>	<b>(40,808)</b>
	<hr/>	<hr/>
<b>NET BUILDING EXPENSES</b>	<b>\$266,411</b>	<b>\$231,247</b>
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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

**A. J. MUSTE MEMORIAL INSTITUTE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	(113,072)	(288,413)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	6,343	6,343
(Increase) decrease in assets		
Literature inventory	632	1,039
Receivables	(6,102)	17,479
Prepaid expenses	(1,546)	8,253
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	4,089	4,164
Pension payable	123	(298)
Grants payable	143,205	(17,916)
<b>Net cash provided (used) by operating activities</b>	<b>33,672</b>	<b>(269,349)</b>
 <b>Cash flows from investing activities</b>		
Increase in investment assets		
Acquisition of Short-term investments	(93,227)	(101,912)
Unrealized (gains) losses	106,411	(48,685)
Sales of Short-term investments	187,893	2,622
<b>Net cash provided (used) by investing activities</b>	<b>201,077</b>	<b>(147,975)</b>
 <b>Cash flows from financing activities</b>		
	0	0
 <b>Net increase (decrease) in cash and cash equivalents</b>	<b>234,749</b>	<b>(417,324)</b>
 <b>Beginning cash &amp; cash equivalents</b>	<b>34,803</b>	<b>452,127</b>
 <b>Ending cash &amp; cash equivalents</b>	<b>\$269,552</b>	<b>\$34,803</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

**A.J. MUSTE MEMORIAL INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

**NOTE 1 - ORGANIZATION AND DESCRIPTION OF OPERATIONS**

A.J. Muste Memorial Institute, Inc was organized to provide nonviolence advocacy and education by giving financial aid to organizations which provide educational materials and organize workshops in non-violence dealing with disarmament, human rights and related issues.

Organization and Tax Status: A.J. Muste Memorial Institute, Inc was incorporated under the Not-For-Profit Corporation Law of New York State and was formed solely for charitable and educational purposes within the meaning of Section 501 C (3) of the Internal Revenue Code of 1954.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Statements Presentation

The financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles accepted in the United States of America. They are presented in accordance with the provisions of Accounting Standards Codification 958, "Financial Statements of Not-For-Profit Organization". Under the provisions of Codification 958, net assets, revenues, expenses, gains & losses are classified based on 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 - Net assets that are not subject to donor-imposed restrictions, but may be designated for specific purposes by the action of the Board of Directors or otherwise limited by contractual arrangements with outside parties.

Temporarily Restricted Net Assets - Net assets subject to donor imposed restrictions that may be fulfilled either by actions of the Organization pursuant to those stipulations and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that the Organization maintains. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

**A.J. MUSTE MEMORIAL INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expiration of temporarily restrictions of net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has lapsed) are reported as reclassification between the applicable classes of net assets.

Cash and Cash Equivalents

For purpose of the Statement of Cash Flows, cash and cash equivalents are defined as demand deposits at banks and certificates of deposit with purchases maturities of less than ninety days.

Revenue Recognition

A Contribution is recognized when the donor makes a promise to give that is, in substance, unconditional. Grant revenue is recognized as earned, expenses as incurred. Contributions of assets other than cash are recorded at fair value at the date of donation. In accordance with the provision of Accounting Standards Codification 9598-608 Accounting for Contributions Received and Contributions Made", contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contribution are recognized.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets, depending on the nature of the restriction are classified to unrestricted net assets.

Donated Facilities and Services

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Donated services are recognized as contributions in accordance with the provision of Accounting Standards Codification 958-605, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years June 30, 2015 and 2014 donated services were not recorded.

**A.J. MUSTE MEMORIAL INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between fund raising, management and general expense or the appropriate program based on evaluations of the related benefits and actual hours. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal and state taxes under 501 ( c ) ( 3 ) of the Internal Revenue Code, and the not-for profit corporation laws of New York State, and is considered by the Internal Revenue Service to be an Organization other than a private foundation. The Organization adopted the Financial Standards Codification 740, *Accounting for Uncertainty in Income Taxes*. The standard addresses the accounting for uncertainties in income taxes recognized in an entity's financial statements and prescribes a threshold of "more likely than not" for recognition and nonrecognition of tax positions taken or expected to be taken in the tax returns.

Financial Standards Codification 740 also provides related guidance on measurement, classification, interest and penalties, and disclosure. There was no material impact to the Organization's financial statements as a result of the adoption of Financial Standards Codification 740. The past three years remain open for examination by tax authorities (form 990).

Property and Equipment

Purchases of property & equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the

**A.J. MUSTE MEMORIAL INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

straight-line method over the expected useful lives of the assets.

Fair Value of Financial Instruments

The Organization has adopted Accounting Standards Codification 825, the fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of Accounting Standards Codification 320. A provision of Codification 825 permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of Codification 825 are elective; however, the amendment to Accounting Standards Codification 320, Accounting for Certain Investments in Debt and Equity Securities, applies to all entities that own trading and available-for-sale securities. The fair value option created by Accounting Standards Codification 825 permits an entity to measure eligible items at fair value as of specified election dates. The fair value option (a) may generally be applied instrument by instrument, (b) is irrevocable unless a new election date occurs, and (c) must be applied to the entire instrument and not only a portion of the instrument. The Adoption of the Accounting Standards Codification 825 did not have a significant impact on the Organization's results of operations and financial condition.

The Organization's financial instruments consist principally of cash and cash equivalents, prepaid expenses, receivables and investments. The Organization believes all of the financial instruments' recorded values approximate fair value.

Recent Accounting Pronouncements - In August 2008, FASB issued Accounting Standards Codification 958, Endowments for Not-for-Profit Foundation: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds. Accounting Standards Codification 958 responds to accounting questions raised by the model Uniform Prudent Management of Institutional Funds Act (UPMIFA) that was approved by the Uniform Law Commission to modernize the Uniform Management of Institutional Funds Act of 1972 (UMIFA) for governing the investment and management of donor-restricted endowment funds by not-for-profit Foundation. Among UPMIFA's more significant changes is the elimination of UMIFA's concept of historic dollar threshold, the amount below which a Foundation could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending.

**A.J. MUSTE MEMORIAL INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

The provisions of Accounting Standards Codification 958 expand disclosures about the Foundation's endowment funds (both donor-restricted and board-designated). In addition, Accounting Standards Codification 958 requires that the portion of a donor-restricted endowment fund that is not classified as permanently restricted net asset be classified as temporarily restricted net assets until appropriated for expenditure. The Organization has adopted the provisions under Accounting Standards Codification 958.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are considered to be all highly liquid debt instruments with a maturity date of 90 days or less from the date of purchase. As June 30, 2015 and 2014, these accounts consist primarily of cash in bank as follows:

	<u>2015</u>	<u>2014</u>
Amalgamated Bank	\$ 242,273	\$ 6,376
Maxim Group	27,028	28,176
Pax World Fund	251	251
<b>Total cash</b>	<u><b>269,552</b></u>	<u><b>\$ 34,803</b></u>

**NOTE 4 - LITERATURE INVENTORY**

Inventory is stated cost determined by the first-in, first-out method. The ending balances at June 30, 2015 and 2014 were \$13,732 and \$32,761 respectively.

**NOTE 5 - INVESTMENTS**

Investments in marketable securities are presented in the financial statements at fair market value in accordance with SFAS 124. At June 30, 2015 and 2014 the aggregate fair market value was as follows:

	<u>2015</u>	<u>2014</u>
Maxim Group - Stocks	\$ 8,424	\$ 102,505
Maxim Group - Mutual Funds		6,556
Parnassus Investments	2,571	2,347
Pax World Mutual Fund	603,060	703,723
<b>Total</b>	<u><b>\$ 614,055</b></u>	<u><b>\$ 815,131</b></u>

Investments include net unrealized gains and (losses) for the year ended June 30, 2015 and 2014 of \$(116,411) and \$48,685 respectively.

**A.J. MUSTE MEMORIAL INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

**NOTE 6 - GRANTS PAYABLE**

This account consists of grants awarded by the organization during the year which were outstanding as of June 30, 2015 and 2014. Details of Grants Payable at June 30,

	<u>2015</u>	<u>2014</u>
Arbi Harnet (Freedom Friday)	\$ 4,000	
Centar za izgradnju mira	950	
Clarkston Community Center		\$ 1,700
Deep Dish TV		4,410
European Center of Constitutional and Human Rights (ECCHR)	176,700	
FERAPAD		1,958
Granny Peace Brigade		675
IPSEC	465	
Met Council Research and Education Fund		3,375
New Israel Fund	2,000	
Nonviolence International		2,800
NYS Youth Leadership Council		2,025
Paper Tiger TV		5,400
Prisoners Legal Services of Massachusetts		2,000
Socialist Party USA		2,160
TASSC		2,000
War Resisters League		14,500
Wespac Foundation	2,000	
Other	93	0
<b>Total</b>	<b><u>\$ 186,208</u></b>	<b><u>\$ 43,003</u></b>

**NOTE 7 - TEMPORARILY RESTRICTED ENDOWMENT & BOARD DESIGNATED FUNDS**

The Organization has two temporarily restricted endowment funds, The Sara Bilezikian Peace Internship Endowment Fund and The Paul G. Schmidt Endowment Fund.

The Sara Bilezikian Peace Internship Endowment has principal balance of \$105,200 be invested to provide stipends and support the engagement of young people in nonviolence activism, organizing and educational work for peace and social justice. The investment income earned as of June 30, 2015 and 2014 totaled \$7,099 and \$7,100.

The Paul G. Schmidt Endowment Fund agreement stipulates that an endowment of \$195,841 be invested to provide support for the educational work of the War Resisters League on peace, disarmament, non-violence, conscientious objection, militarism and related issues. The Investment income earned as of June 30, 2015 and 2014 totaled \$9,822 and \$8,713.



**A.J. MUSTE MEMORIAL INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

<b>Temporarily Restricted Funds Detail:</b>	<u><b>2015</b></u>	<u><b>2014</b></u>
European Center of Constitutional and Human Rights (ECCHR)	\$ 176,700	
IPSEC	465	
Jahalin Association	93	\$ 5,277
Palestine-Israel Journal		139
The Sara Bilezikian Peace Internship	123,196	129,197
The Paul G. Schmidt Endowment Fund	197,318	164,160
<b>TOTAL</b>	<u><b>\$ 497,772</b></u>	<u><b>\$ 298,773</b></u>

<b>Board Designated Funds Detail:</b>	<u><b>2015</b></u>	<u><b>2014</b></u>
Adalys Vazquez Solidarity Travel Fund	\$ 9,240	\$ 9,240
Freeman Internship Endowment	100,289	117,544
Counter Recruitment Fund	14,438	14,438
Int'l nonviolence Training Fund	49,974	24,986
Swann Fund	209,496	336,262
<b>TOTAL</b>	<u><b>\$ 383,437</b></u>	<u><b>\$ 502,470</b></u>

	<u><b>Unrestricted Board Designated Funds</b></u>	<u><b>Temporarily Restricted Funds</b></u>
Beg. Balance 6/30/14	\$ 502,470	\$ 298,773
Grants & Contrib.	95,186	232,165
Investment income	(32,322)	(14,233)
Net assets disburs.	(181,897)	(18,933)
<b>Ending Bal. 6/30/15</b>	<u><b>\$ 383,437</b></u>	<u><b>\$ 497,772</b></u>

**NOTE 8 - PENSION PLAN**

The organization has a defined contribution money purchase plan, which covers all employees meeting specific age and length of service requirements. Pension expense charged to operations for the year ended June 30, 2015 and 2014 was \$6,164 and \$10,571. Pension payable at June 30, 2015 and 2014 was \$123 and \$0.

**NOTE 9 - CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject A.J. Muste Memorial Institute, Inc to concentration of credit risk consist principally of demand deposits accounts in financial institutions. As of the date of this report, the Organization did not have account balances in excess of FDIC coverage limits (\$250,000) at June 30, 2015.

**A.J. MUSTE MEMORIAL INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

**NOTE 10 - RELATED PARTY TRANSACTIONS**

There were no related party transactions identified for the fiscal years ended June 30, 2015 and 2014.

**NOTE 11 - SUBSEQUENT EVENTS**

Except as disclosed in Note 12, no subsequent events of material nature came to our attention warranting adjustment or disclosure as of the date of this report.

**NOTE 12 - SALE OF BUILDING**

On October 2, 2015, the organization sold its building at 339 Lafayette Street, NY, NY for \$20,750,000 and received cash of \$18,603,323.87 net of Seller's charges of \$896,676.13 (net of certain adjustments for tenant security deposits, interest and taxes) and also net of \$1,250,000 held in escrow of which \$1,000,000 for Lease Security Holdback is to be released upon vacation of the premises by May 30, 2016 pursuant to the terms of the sale agreement. The transaction resulted in a gain of approximately \$19,700,000 to be reported for the fiscal year ending June 30, 2016.

**NOTE 13 - PRIOR PERIOD ADJUSTMENT**

Inventory at June 30, 2013 was overstated by \$18,396. Accordingly, unrestricted funds at June 30, 2013 were overstated by the same amount. This adjustment has no effect on current year statement of activities.