

NATIONAL CENTER FOR VICTIMS OF CRIME
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2010 AND 2009

**NATIONAL CENTER FOR VICTIMS OF CRIME
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YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
National Center for Victims of Crime
Washington, DC

We have audited the accompanying statements of financial position of National Center for Victims of Crime (the "National Center") as of September 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the National Center management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the National Center for Victims of Crime at September 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP
LarsonAllen LLP

Arlington, Virginia
June 29, 2011



(1)

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**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2010 AND 2009**

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 115,810	\$ 218,808
Pledges Receivable	9,700	11,272
Grants and Contracts Receivable	252,000	332,087
Other Receivable	306,333	120,605
Prepaid Expenses	41,876	38,474
Total Current Assets	725,719	721,246
PROPERTY AND EQUIPMENT, NET	2,965	5,184
DEPOSITS	54,309	54,309
Total Assets	\$ 782,993	\$ 780,739
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 525,773	\$ 479,386
Accrued Vacation	88,983	75,235
Line of Credit	173,274	200,000
Deferred Rent	34,726	34,353
Deferred Revenue	186,407	219,973
Total Current Liabilities	1,009,163	1,008,947
DEFERRED RENT, NET OF CURRENT PORTION	-	34,729
Total Liabilities	1,009,163	1,043,676
NET ASSETS		
Unrestricted (Deficit)	(236,170)	(272,937)
Temporarily Restricted	10,000	10,000
Total Net Assets (Deficit)	(226,170)	(262,937)
Total Liabilities and Net Assets	\$ 782,993	\$ 780,739

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT						
Federal Grants	\$ 2,326,679	\$ -	\$ 2,326,679	\$ 2,248,223	\$ -	\$ 2,248,223
Contributions and Other Grants	523,502	-	523,502	701,166	-	701,166
Special Events	58,312	-	58,312	221,075	-	221,075
Membership Dues	191,635	-	191,635	187,616	-	187,616
Conferences	471,459	-	471,459	270,991	-	270,991
Interest Income	4,517	-	4,517	1,269	-	1,269
Publications	10,626	-	10,626	9,905	-	9,905
Services Revenue	16,246	-	16,246	16,718	-	16,718
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	-	-	-	39,741	(39,741)	-
Total Revenue and Other Support	<u>3,602,976</u>	<u>-</u>	<u>3,602,976</u>	<u>3,696,704</u>	<u>(39,741)</u>	<u>3,656,963</u>
EXPENSES						
Program Services:						
Victim Services	387,816	-	387,816	420,382	-	420,382
Training and Technical Assistance	1,468,464	-	1,468,464	1,343,334	-	1,343,334
Public Policy	261,506	-	261,506	340,706	-	340,706
Public Education	347,924	-	347,924	296,292	-	296,292
Civil Justice	178,949	-	178,949	271,719	-	271,719
Research	229,829	-	229,829	117,668	-	117,668
Total Program Services	<u>2,874,488</u>	<u>-</u>	<u>2,874,488</u>	<u>2,790,101</u>	<u>-</u>	<u>2,790,101</u>
Supporting Services:						
Management and General	521,395	-	521,395	493,335	-	493,335
Fundraising	170,326	-	170,326	241,394	-	241,394
Total Supporting Services	<u>691,721</u>	<u>-</u>	<u>691,721</u>	<u>734,729</u>	<u>-</u>	<u>734,729</u>
Total Expenses	<u>3,566,209</u>	<u>-</u>	<u>3,566,209</u>	<u>3,524,830</u>	<u>-</u>	<u>3,524,830</u>
CHANGE IN NET ASSETS	36,767	-	36,767	171,874	(39,741)	132,133
Net Assets (Deficit) - Beginning of Year	<u>(272,937)</u>	<u>10,000</u>	<u>(262,937)</u>	<u>(444,811)</u>	<u>49,741</u>	<u>(395,070)</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (236,170)</u>	<u>\$ 10,000</u>	<u>\$ (226,170)</u>	<u>\$ (272,937)</u>	<u>\$ 10,000</u>	<u>\$ (262,937)</u>

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2010**

	Program Services						Supporting Services				
	Victim Services	Training and Technical Assistance	Public Policy	Public Education	Civil Justice	Research	Total	Management and General	Fundraising	Total	Total
Salaries and Benefits	270,827	\$ 701,524	\$ 167,385	\$ 218,628	\$ 90,485	\$ 124,244	\$ 1,573,093	\$ 396,792	\$ 71,370	\$ 468,162	\$ 2,041,255
Professional Services	10,079	61,690	9,622	32,403	4,825	15,329	133,948	100,232	28,695	128,927	262,875
Occupancy	49,452	128,097	30,564	39,921	16,522	22,687	287,243	72,278	13,032	85,310	372,553
Printing and Supplies	19,928	55,503	29,979	9,710	28,846	12,344	156,310	60,634	21,925	82,559	238,869
Meetings and Travel	1,601	428,895	1,774	18,355	24,808	38,798	514,231	57,023	22,627	79,650	593,881
Depreciation and Amortization	295	763	182	238	98	135	1,711	431	78	509	2,220
Other	120	-	50	-	1,500	-	1,670	49,646	3,240	52,886	54,556
Allocation of Indirect Costs	35,514	91,992	21,950	28,669	11,865	16,292	206,282	(215,641)	9,359	(206,282)	-
Total	\$ 387,816	\$ 1,468,464	\$ 261,506	\$ 347,924	\$ 178,949	\$ 229,829	\$ 2,874,488	\$ 521,395	\$ 170,326	\$ 691,721	\$ 3,566,209

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2009**

	Program Services						Supporting Services				
	Victim Services	Training and Technical Assistance	Public Policy	Public Education	Civil Justice	Research	Total	Management and General	Fundraising	Total	Total
Salaries and Benefits	\$ 308,082	\$ 668,938	\$ 213,760	\$ 208,607	\$ 126,465	\$ 59,720	\$ 1,585,572	\$ 381,931	\$ 121,295	\$ 503,226	\$ 2,088,798
Professional Services	6,670	87,239	37,388	14,827	4,180	14,380	164,684	97,917	11,905	109,822	274,506
Occupancy	58,708	127,472	40,734	39,752	24,099	11,380	302,145	72,780	23,114	95,894	398,039
Printing and Supplies	14,487	69,762	2,559	10,712	49,724	5,491	152,735	35,605	21,305	56,910	209,645
Meetings and Travel	94	306,273	4,445	680	49,805	20,302	381,599	9,989	49,334	59,323	440,922
Depreciation and Amortization	314	683	218	213	129	61	1,618	390	124	514	2,132
Other	1,175	15,978	20,196	611	4,653	354	42,967	65,651	2,170	67,821	110,788
Allocation of Indirect Costs	30,852	66,989	21,406	20,890	12,664	5,980	158,781	(170,928)	12,147	(158,781)	-
Total	\$ 420,382	\$ 1,343,334	\$ 340,706	\$ 296,292	\$ 271,719	\$ 117,668	\$ 2,790,101	\$ 493,335	\$ 241,394	\$ 734,729	\$ 3,524,830

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 36,767	\$ 132,133
Adjustments to Reconcile Changes in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Depreciation and Amortization	2,219	2,132
Changes in Assets and Liabilities:		
Pledges Receivable	1,572	10,970
Grants and Contracts Receivable	80,087	(222,184)
Other Receivables	(185,728)	(112,567)
Prepaid Expenses	(3,402)	(6,562)
Deposits	-	6,222
Accounts Payable and Accrued Expenses	46,387	251,698
Accrued Vacation	13,748	7,453
Deferred Revenue	(33,566)	115,653
Deferred Rent	(34,356)	(25,766)
Net Cash (Used) Provided by Operating Activities	(76,272)	159,182
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	-	(3,060)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payments) Advances on Line of Credit, Net	(26,726)	19,000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(102,998)	175,122
Cash and Cash Equivalents - Beginning of Year	218,808	43,686
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 115,810	\$ 218,808
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid in Cash	\$ 9,326	\$ 13,026

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010 AND 2009**

NOTE 1 ORGANIZATION

Founded in 1985, the National Center for Victims of Crime (the “National Center”), a not-for-profit organization incorporated in Virginia, is the nation’s leading resource and advocacy organization for victims of crime. The National Center’s mission is to forge a national commitment to help victims of crime rebuild their lives. The National Center is dedicated to serving individuals, families and communities harmed by crime and works with grassroots and criminal justice organizations nationwide to assist victims, create resources, change public attitudes, and reform laws.

Through collaboration with local, state and federal partners, the National Center:

- Provides direct services and resources;
- Advocates for public policies that create resources and secure rights and protections for crime victims;
- Delivers training and technical assistance to victim service organizations, counselors, attorneys, criminal justice agencies and allied professionals serving victims of crime; and
- Fosters cutting-edge thinking about the impact of crime and the way in which each of us can help victims regain control of their lives.

The National Center operates through six program divisions:

Victim Services – The National Center maintains a comprehensive collection of online resources and an extensive database of service providers for referrals.

Training and Technical Assistance – The National Center provides victim assistance and allied service professionals with regional and national training opportunities led by national experts, that include basic, advanced, and skill-building instruction on a variety of issues and cutting-edge topics to help professionals and volunteers support victims of crime more effectively.

Public Policy – The National Center advocates for passage of laws and public policies that create resources and secure rights and protections for crime victims.

Public Education – The National Center creates and distributes, online and in print, unique information products, including fact books, directories, training manuals, research reports, policy briefs, and victim service materials to the public.

Civil Justice – The National Center’s National Crime Victim Bar Association is an organization of attorneys and expert witnesses dedicated to helping victims seek justice for the harms they have suffered and hold third parties accountable through the civil justice system.

Research – the National Center undertakes grant-funded research projects that advance the knowledge of victim issues.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010 AND 2009**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the National Center are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Consequently, revenue is recognized when earned and expenses when obligations are incurred.

Estimates

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

Cash and Cash Equivalents

For financial statement purposes, the National Center considers cash and cash equivalents to include cash in the bank and liquid investments with an original maturity of three months or less.

Grants, Contracts and Pledges Receivable

Receivables are stated at net realizable value. Accounts are individually analyzed for collectability. A receivable is written off when all collection efforts have been exhausted or certain conditions or forgiveness has been reached. All receivables are deemed collectible by management at September 30, 2010 and 2009.

Property and Equipment

All acquisitions of furniture and equipment greater than \$1,000 are capitalized at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years. Leasehold improvements are amortized over the remaining life of the lease.

Net Assets

The National Center's resources are classified for accounting and reporting purposes into net asset groups based on the existence or absence of donor-imposed restrictions. The net asset groups are as follows:

Unrestricted

Unrestricted net assets represent resources available for support of the operations of the National Center.

Temporarily Restricted

Temporarily restricted net assets represent resources received by the National Center from contributors that are purpose- or time-restricted by the donors.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010 AND 2009**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Government Grants and Contracts

Government grants and contracts are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined by each grant or agreement, are made. Funds received but not earned are shown as deferred revenue. Expenditures under government grants and contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these grants and contracts, the National Center will record such disallowance at the time the final assessment is made.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Temporarily restricted net assets are contributions with temporary donor-imposed time and/or program restrictions. These temporary restrictions require that resources be used for specific purposes and/or in future periods. Temporarily restricted net assets become unrestricted when time restrictions expire or the funds are used for their restricted purpose and are reported in the statements of activities as "net assets released from restriction." However, restricted contributions are recognized as unrestricted revenue if the restrictions are satisfied in the same period as revenue recognition.

Membership Dues and Publication Income

Revenue from membership dues and publications are recognized in the year in which earned. Unearned receipts are reflected as deferred revenue in the statements of financial position.

Income Taxes

The National Center is exempt from federal income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code (IRC). The Internal Revenue Service determined that the National Center is not a private foundation as defined in Section 509(a) of the IRC.

The National Center's tax returns are subject to review and examination by federal, state and local authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes. The tax returns for the fiscal years 2007, 2008, and 2009 are open to examination by federal, local and state authorities.

Allocation of Expenses

The National Center's expenses are summarized on a functional basis in the statements of activities. Accordingly, certain costs are allocated among the programs and supporting services benefited.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 29, 2011, the date the financial statements were available to be issued.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010 AND 2009**

NOTE 3 PROPERTY AND EQUIPMENT

At September 30, 2010 and 2009, property and equipment, recorded at cost, and related accumulated depreciation and amortization consisted of the following:

	2010	2009
Computer Equipment	\$ 54,228	\$ 54,228
Furniture and Fixtures	37,561	37,561
Office Equipment	17,073	17,073
Leasehold Improvements	11,992	11,992
	120,854	120,854
Less Accumulated Depreciation and Amortization	(117,889)	(115,670)
Total	\$ 2,965	\$ 5,184

NOTE 4 LINE OF CREDIT

The National Center has a \$200,000 line of credit with a financial institution that expires on September 5, 2011. Interest accrues at 1.75% over the prime rate. The interest rate as of September 30, 2010 was 5.50%. Borrowings are secured by receivables and property and equipment. Advances under the line of credit were \$173,274 and \$200,000 as of September 30, 2010 and 2009, respectively.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the Training and Technical Assistance program and total \$10,000 at September 30, 2010 and 2009.

NOTE 6 RETIREMENT PLAN

The National Center sponsors a 401(k) defined contribution plan covering substantially all of its employees. Participants under the 401(k) plan may contribute any amount within statutory limits. In addition, the National Center will contribute a match of up to 4% of employees' salaries, which is fully vested after the employee has completed four years of employment. For employees who have completed 1,000 hours of service within their first 12 months under the plan, the National Center also contributes an additional 3% of employees' salaries, which is fully vested immediately. The National Center's contributions to the Plan for the years ended September 30, 2010 and 2009 were approximately \$87,000 and \$93,000, respectively.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010 AND 2009**

NOTE 7 COMMITMENTS

Office Lease

The National Center leases office space under a noncancelable operating lease expiring in July 2011 with rent escalation of 2.5% per year. The lease also requires payment for a proportionate share of building operating expenses. Occupancy expense for the years ended September 30, 2010 and 2009 was \$372,554 and \$398,039, respectively. Total future minimum annual rental payments under the office lease are \$299,740 for the year ending September 30, 2011.

Hotel Commitment

The National Center has a contract for room rental and food and beverage costs associated with a meeting. The contract contains a provision for cancellation fees should the National Center cancel the event. The maximum cancellation fee that the National Center could incur is approximately \$353,000 as of September 30, 2010.

The event was held as of June 29, 2011, and therefore there will be no cancellation fee related to this hotel contract.

Operating Leases

The National Center leases equipment under operating lease agreements. Total future minimum monthly rental payments under the operating leases are as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2011	\$ 11,828
2012	<u>4,600</u>
	<u>\$ 16,428</u>

NOTE 8 CONCENTRATION OF REVENUE RISK

The National Center is primarily supported by federal funding sources (approximately 64 and 62 percent for the years ended September 30, 2010 and 2009, respectively) and is subject to availability of funds from these sources.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010 AND 2009**

NOTE 9 GOING CONCERN

As of September 30, 2010 and 2009, the National Center had deficits of approximately \$236,000 and \$273,000, respectively. This factor creates an uncertainty about the National Center's ability to continue as a going concern. The ability of the National Center to continue as a going concern is dependent on management to increase revenue for general operating support. Management believes that its current progress will support its ongoing operations and both the Board and management are committed to continue to work toward building a healthy unrestricted net asset balance. If needed support is not obtained, management will reduce the size of staff, to ensure the National Center does not increase the current deficit position. The financial statements do not include any adjustments that might be necessary if the National Center is unable to continue as a going concern.

NOTE 10 SUBSEQUENT EVENTS

The National Center has entered into a new copier lease in March 2011 for 5 years. Future minimum rental payments under this lease total \$55,000.

The National Center also entered into another hotel agreement in March 2011 for a conference in December 2011. The contract contains a provision for cancellation fees should the National Center cancel the event. The maximum cancellation fee that the National Center could incur is approximately \$150,000 as of June 29, 2011.