

NATIONAL CENTER FOR VICTIMS OF CRIME
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

**NATIONAL CENTER FOR VICTIMS OF CRIME
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YEAR ENDED DECEMBER 31, 2012**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of National Center for Victims of Crime, which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' 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 from material misstatement.

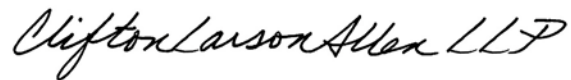
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

Board of Directors
National Center for Victims of Crime

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Center for Victims of Crime as of December 31, 2012 and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



CliftonLarsonAllen LLP

Arlington, Virginia
May 28, 2013

**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 392,059
Grants and Contracts Receivable	88,170
Other Receivable	12,527
Prepaid Expenses	25,804
Total Current Assets	<u>518,560</u>

PROPERTY AND EQUIPMENT, NET

60,614

DEPOSIT

100,000

Total Assets

\$ 679,174

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 149,306
Accrued Vacation	87,610
Line of Credit, Current Portion	22,974
Capital Lease Payable, Current Portion	4,766
Deferred Rent, Current Portion	7,439
Deferred Revenue	119,767
Total Current Liabilities	<u>391,862</u>

LINE OF CREDIT, NET OF CURRENT PORTION

92,214

CAPITAL LEASE PAYABLE, NET OF CURRENT PORTION

19,198

DEFERRED RENT, NET OF CURRENT PORTION

63,976

Total Liabilities

567,250

NET ASSETS

Unrestricted	72,303
Temporarily Restricted	39,621
Total Net Assets	<u>111,924</u>

Total Liabilities and Net Assets

\$ 679,174

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Federal Grants	\$ 1,659,204	\$ -	\$ 1,659,204
Contributions	1,097,622	-	1,097,622
Other Grants	-	59,977	59,977
Special Events	37,300	-	37,300
Membership Dues	151,001	-	151,001
Conferences	343,931	-	343,931
Interest Income	1,194	-	1,194
Publications	3,177	-	3,177
Services Revenue	194,020	-	194,020
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	56,321	(56,321)	-
Total Revenue and Other Support	<u>3,543,770</u>	<u>3,656</u>	<u>3,547,426</u>
EXPENSES			
Program Services:			
Training and Technical Assistance	1,164,965	-	1,164,965
Public Policy	280,052	-	280,052
Public Education	605,196	-	605,196
Civil Justice	420,070	-	420,070
Research and Evaluation	151,860	-	151,860
Total Program Services	<u>2,622,143</u>	<u>-</u>	<u>2,622,143</u>
Supporting Services:			
Management and General	521,999	-	521,999
Fundraising	165,892	-	165,892
Total Supporting Services	<u>687,891</u>	<u>-</u>	<u>687,891</u>
Total Expenses	<u>3,310,034</u>	<u>-</u>	<u>3,310,034</u>
CHANGE IN NET ASSETS	233,736	3,656	237,392
Net Deficit - January 1, 2012	<u>(161,433)</u>	<u>35,965</u>	<u>(125,468)</u>
NET ASSETS - DECEMBER 31, 2012	<u>\$ 72,303</u>	<u>\$ 39,621</u>	<u>\$ 111,924</u>

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED DECEMBER 31, 2012**

	Program Services					Supporting Services				
	Training and Technical Assistance	Public Policy	Public Education	Civil Justice	Research and Evaluation	Total	Management and General	Fundraising	Total	
Salaries and Benefits	\$ 649,321	\$ 200,801	\$ 381,885	\$ 129,167	\$ 44,547	\$ 1,405,721	\$ 418,024	\$ 94,415	\$ 512,439	\$ 1,918,160
Professional Services	55,505	6,545	62,328	170,484	93,941	388,803	64,635	22,894	87,529	476,332
Occupancy	103,408	31,979	60,817	20,570	7,094	223,868	66,572	15,036	81,608	305,476
Printing and Supplies	65,687	7,646	54,898	48,249	2,293	178,773	33,581	10,854	44,435	223,208
Meetings and Travel	232,845	15,114	11,099	40,043	-	299,101	1,292	14,245	15,537	314,638
Depreciation and Amortization	6,335	1,959	3,726	1,260	434	13,714	4,078	921	4,999	18,713
Other	102	-	-	-	-	102	53,405	-	53,405	53,507
Allocation of Indirect Costs	51,762	16,008	30,443	10,297	3,551	112,061	(119,588)	7,527	(112,061)	-
Total	<u>\$ 1,164,965</u>	<u>\$ 280,052</u>	<u>\$ 605,196</u>	<u>\$ 420,070</u>	<u>\$ 151,860</u>	<u>\$ 2,622,143</u>	<u>\$ 521,999</u>	<u>\$ 165,892</u>	<u>\$ 687,891</u>	<u>\$ 3,310,034</u>

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 237,392
Adjustments to Reconcile Changes in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	18,713
Changes in Assets and Liabilities:	
Pledges Receivable	7,500
Grants and Contracts Receivable	597,449
Other Receivables	53,673
Prepaid Expenses	10,776
Accounts Payable and Accrued Expenses	(554,861)
Accrued Vacation	(2,104)
Deferred Revenue	(34,556)
Deferred Rent	15,725
Net Cash Provided by Operating Activities	349,707

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property and Equipment	(20,574)
Net Cash Used in Investing Activities	(20,574)

CASH FLOWS FROM FINANCING ACTIVITIES

Principle Payments on Capital Lease	(6,841)
Principle Payments on Line of Credit	(24,812)
Net Cash Used in Financing Activities	(31,653)

NET INCREASE IN CASH AND CASH EQUIVALENTS

297,480

Cash and Cash Equivalents - January 1, 2012

94,579

CASH AND CASH EQUIVALENTS - DECEMBER 31, 2012

\$ 392,059

SUPPLEMENTAL CASH FLOW INFORMATION

Interest Paid in Cash	\$ 7,084
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See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 1 ORGANIZATION

Founded in 1985, the National Center for Victims of Crime, a not-for-profit organization incorporated in Virginia, is the nation's leading resource and advocacy organization for victims of crime. The National Center for Victims of Crime's mission is to forge a national commitment to help victims of crime rebuild their lives. The National Center for Victims of Crime 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 for Victims of Crime:

- Provides direct services and resources to victims of crime across the country;
- Advocates for laws and public policies that secure resources, 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 for Victims of Crime operates through five program divisions:

Training and Technical Assistance – The National Center for Victims of Crime 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 for Victims of Crime advocates for passage of laws and public policies that secure resources, rights and protections for crime victims.

Public Education – The National Center for Victims of Crime 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 for Victims of Crime'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 and Evaluation – The National Center for Victims of Crime undertakes research projects that advance the knowledge of victim issues.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the National Center for Victims of Crime 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 for Victims of Crime 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 December 31, 2012.

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 for Victims of Crime'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 for Victims of Crime.

Temporarily Restricted

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

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Government Grants

Government grants 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 for Victims of Crime 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 for Victims of Crime 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 for Victims of Crime is not a private foundation as defined in Section 509(a) of the IRC.

The National Center for Victims of Crime'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 2009, 2010, and 2011 are open to examination by federal, local and state authorities.

Allocation of Expenses

The National Center for Victims of Crime'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 May 28, 2013, the date the financial statements were available to be issued.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 3 PROPERTY AND EQUIPMENT

At December 31, 2012, property and equipment, recorded at cost, and related accumulated depreciation and amortization consisted of the following:

Computer Equipment	\$ 46,257
Furniture and Fixtures	37,561
Office Equipment	7,050
Capital Leased Equipment	35,000
Leasehold Improvements	30,037
	155,905
Less Accumulated Depreciation and Amortization	(95,291)
Total	\$ 60,614

NOTE 4 LINE OF CREDIT

The National Center for Victims of Crime has line of credit with a financial institution originally at the amount of \$200,000, modified on May 30, 2012 to \$124,645 that will expire on September 5, 2018. Under the 2012 note modification agreement, the Organization executed a modified Promissory Note and agreed to a repayment plan of equal monthly payments consisting of principal and interest with outstanding accrued interest balances due with final payment. Interest accrues at 1.75% over the prime rate, not to be reduced below 5.50% per annum. The interest rate as of December 31, 2012 was 5.50%. Borrowings are secured by receivables and property and equipment. Total outstanding amount as of December 31, 2012 was \$115,188.

Future minimum payments under the note modification agreement are as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2013	\$ 22,974
2014	22,974
2015	22,974
2016	22,974
2017	22,974
Thereafter	15,316
Total	130,189
Less Amount Representing Interest	(15,001)
Total Line of Credit Payments	\$ 115,188

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 5 CAPITAL LEASE PAYABLE

The National Center for Victims of Crime acquired equipment under a capital lease in 2011. The fair value of the equipment is \$35,000 and is being depreciated over a five-year estimated useful life. Accumulated depreciation on equipment as of December 31, 2012 was \$12,833.

The following is a schedule of future minimum payments required under the lease:

<u>Year Ending December 31:</u>	<u>Amount</u>
2013	\$ 11,040
2014	11,040
2015	11,040
2016	1,840
Total	<u>34,960</u>
Less Amount Representing Interest	10,996
Present Value of Minimum Lease Payments	<u><u>\$ 23,964</u></u>

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2012 consist of the following:

Training and Technical Assistance	\$ 10,000
Public Policy	<u>29,621</u>
Total	<u><u>\$ 39,621</u></u>

NOTE 7 RETIREMENT PLAN

The National Center for Victims of Crime 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 for Victims of Crime 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 for Victims of Crime also contributes an additional 3% of employees' salaries, which is fully vested immediately. The National Center for Victims of Crime's contribution to the Plan for the year ended December 31, 2012 was approximately \$87,000.

NOTE 8 CONCENTRATION OF CREDIT AND REVENUE RISK

Credit Risk

The Organization maintains demand deposits with a financial institution. At times, the balances held within these accounts may exceed federally-insured limits. Management monitors these balances and believes they represent neither unusual nor significant credit risks.

**NATIONAL CENTER FOR VICTIMS OF CRIME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 8 CONCENTRATION OF CREDIT AND REVENUE RISK (CONTINUED)

Revenue Risk

The National Center for Victims of Crime is primarily supported by federal funding sources (approximately 47 percent for the year ended December 31, 2012) and is subject to availability of funds from these sources.

NOTE 9 COMMITMENTS

Office Lease

The National Center for Victims of Crime has a office space under a noncancelable operating lease expiring in September 2018 with rent escalation of 2.75% per year. The lease also requires payment for a proportionate share of building operating expenses. Occupancy expense for the year ended December 31, 2012 was \$305,476.

Future minimum annual rental payments under the office lease are:

<u>Year Ending December 31:</u>	<u>Amount</u>
2013	\$ 299,889
2014	308,136
2015	316,610
2016	325,316
2017	334,263
2018	<u>255,832</u>
	<u><u>\$ 1,840,046</u></u>

Hotel Commitments

The National Center for Victims of Crime has contracts for room rental and food and beverage costs associated with meetings. The contract contains a provision for cancellation fees should the National Center for Victims of Crime cancel the event. The maximum cancellation fee that the National Center for Victims of Crime could incur is approximately \$165,000 as of December 31, 2012.

NOTE 10 RELATED PARTY

The National Center for Victims of Crime has a business relationship with one of its Board Members: the Organization has partnered with a company on whose management team is an individual who also serves on the Organization's Board of Directors. As the partnership has been in place for six years prior to when the Board Member relationship began, the transaction is considered at arm's length. During the year ended December 31, 2012, the Organization received \$100,000 in services revenue from transactions with this related party.