

**NATIONAL CENTER FOR VICTIMS OF CRIME**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2013**

**NATIONAL CENTER FOR VICTIMS OF CRIME  
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YEAR ENDED DECEMBER 31, 2013**

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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, 2013, 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, 2013 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  
June 26, 2014

**NATIONAL CENTER FOR VICTIMS OF CRIME  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$	437,081
Pledges Receivable		7,500
Grants and Contracts Receivable		91,121
Other Receivable		8,025
Prepaid Expenses		22,442
Total Current Assets		566,169

**PROPERTY AND EQUIPMENT, NET**

43,206

**INVESTMENTS**

1,000

**DEPOSIT**

100,000

Total Assets

\$ 710,375

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Expenses	\$	119,907
Accrued Vacation		99,431
Note Payable, Current Portion		18,880
Capital Lease Payable, Current Portion		7,823
Deferred Rent, Current Portion		549
Deferred Revenue		210,165
Total Current Liabilities		456,755

**NOTE PAYABLE, NET OF CURRENT PORTION**

79,340

**CAPITAL LEASE PAYABLE, NET OF CURRENT PORTION**

11,294

**DEFERRED RENT, NET OF CURRENT PORTION**

78,564

Total Liabilities

625,953

**NET ASSETS**

Unrestricted		(378)
Temporarily Restricted		84,800
Total Net Assets		84,422

Total Liabilities and Net Assets

\$ 710,375

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Federal Grants	\$ 1,470,651	\$ -	\$ 1,470,651
Contributions	1,169,918	61,891	1,231,809
Other Grants	317,094	22,909	340,003
Special Events	22,739	-	22,739
Membership Dues	146,649	-	146,649
Conferences	229,673	-	229,673
Interest Income	2,069	-	2,069
Publications	236	-	236
Services Revenue	107,519	-	107,519
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	39,621	(39,621)	-
Total Revenue and Other Support	<u>3,506,169</u>	<u>45,179</u>	<u>3,551,348</u>
<b>EXPENSES</b>			
Program Services:			
Victim Services	82,401	-	82,401
Training and Technical Assistance	1,016,924	-	1,016,924
Public Policy	279,832	-	279,832
Public Education	681,323	-	681,323
Civil Justice	529,648	-	529,648
Research and Evaluation	353,740	-	353,740
Total Program Services	<u>2,943,867</u>	<u>-</u>	<u>2,943,867</u>
Supporting Services:			
Management and General	464,045	-	464,045
Fundraising	170,937	-	170,937
Total Supporting Services	<u>634,982</u>	<u>-</u>	<u>634,982</u>
Total Expenses	<u>3,578,850</u>	<u>-</u>	<u>3,578,850</u>
<b>CHANGE IN NET ASSETS</b>	(72,681)	45,179	(27,502)
Net Assets - January 1, 2013	<u>72,303</u>	<u>39,621</u>	<u>111,924</u>
<b>NET ASSETS - DECEMBER 31, 2013</b>	<u>\$ (378)</u>	<u>\$ 84,800</u>	<u>\$ 84,422</u>

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME  
STATEMENT OF FUNCTIONAL EXPENSE  
YEAR ENDED DECEMBER 31, 2013**

	Program Services						Supporting Services				
	Victim Services	Training and Technical Assistance	Public Policy	Public Education	Civil Justice	Research and Evaluation	Total	Management and General	Fundraising	Total	Total
Salaries and Benefits	\$ 37,570	\$ 489,910	\$ 145,709	\$ 306,772	\$ 111,025	\$ 156,484	\$ 1,247,472	\$ 370,857	\$ 116,830	\$ 487,687	\$ 1,735,159
Professional Services	22,930	133,230	50,865	220,730	245,571	143,129	816,456	50,028	5,967	55,995	872,451
Occupancy	6,820	88,930	26,449	55,686	20,154	28,405	226,444	67,319	21,207	88,526	314,970
Printing and Supplies	7,277	62,300	22,005	52,389	74,297	12,035	230,304	12,755	14,375	27,129	257,433
Meetings and Travel	5,164	208,135	24,566	24,194	59,501	2,693	324,253	6,299	4,350	10,649	334,902
Depreciation and Amortization	422	5,506	1,638	3,448	1,248	1,759	14,020	4,168	1,313	5,481	19,501
Other	-	-	-	-	11,299	-	11,299	33,134	-	33,134	44,433
Allocation of Indirect Costs	2,217	28,912	8,599	18,104	6,552	9,235	73,620	(80,515)	6,895	(73,620)	-
<b>Total</b>	<b>\$ 82,401</b>	<b>\$ 1,016,924</b>	<b>\$ 279,832</b>	<b>\$ 681,323</b>	<b>\$ 529,648</b>	<b>\$ 353,740</b>	<b>\$ 2,943,867</b>	<b>\$ 464,045</b>	<b>\$ 170,937</b>	<b>\$ 634,982</b>	<b>\$ 3,578,850</b>

See accompanying Notes to Financial Statements.

**NATIONAL CENTER FOR VICTIMS OF CRIME  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (27,502)
Adjustments to Reconcile Changes in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	19,501
Donated Investments	(1,000)
Changes in Assets and Liabilities:	
Pledges Receivable	(7,500)
Grants and Contracts Receivable	(2,951)
Other Receivables	4,502
Prepaid Expenses	3,362
Accounts Payable and Accrued Expenses	(29,399)
Accrued Vacation	11,821
Deferred Revenue	90,398
Deferred Rent	7,698
Net Cash Provided by Operating Activities	68,930

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Property and Equipment	(2,093)
Net Cash Used in Investing Activities	(2,093)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principle Payments on Capital Lease	(4,847)
Principle Payments on Note Payable	(16,968)
Net Cash Used in Financing Activities	(21,815)

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

45,022

Cash and Cash Equivalents - January 1, 2013

392,059

**CASH AND CASH EQUIVALENTS - DECEMBER 31, 2013**

\$ 437,081

**SUPPLEMENTAL CASH FLOW INFORMATION**

Interest Paid in Cash	\$ 6,138
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See accompanying Notes to Financial Statements.



**NATIONAL CENTER FOR VICTIMS OF CRIME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**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 six program divisions:

Victim Services – The National Compassion Fund was jointly developed by the National Center for Victims of Crime with 70 victims and families of some of the worst mass-casualty crimes in United States history, including 9/11, Columbine, Virginia Tech, NIU, Aurora, Oak Creek Sikh Temple, and Sandy Hook. The Fund distributes money donated as cash payments to the victims, and they themselves decide how best to use the money to recover and rebuild their lives. The Fund is overseen by the National Center for Victims of Crime, and advised by a panel of experts in crime victim compensation and recovery. The panel includes representatives of the victims of past mass casualty crimes.

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

Public Education – National Center for Victims of Crime creates 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.

**NATIONAL CENTER FOR VICTIMS OF CRIME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 1 ORGANIZATION (CONTINUED)**

Civil Justice – 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 – National Center for Victims of Crime undertakes grant-funded research projects that advance the knowledge of victim issues.

**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, 2013.

**Property and Equipment**

All acquisitions of furniture and equipment greater than \$1,500 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.

**NATIONAL CENTER FOR VICTIMS OF CRIME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 statement of financial position.

**NATIONAL CENTER FOR VICTIMS OF CRIME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 National Center for Victims of Crime is not aware of any activities that would jeopardize its tax-exempt status. The National Center for Victims of Crime's activities are subject to excise tax under Internal Revenue Code Section 4911(a). The National Center for Victims of Crime is not aware of any activities that are subject to tax on unrelated business income. The tax returns for the fiscal years 2010, 2011, and 2012 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 June 26, 2014, the date the financial statements were available to be issued.

**NOTE 3 PROPERTY AND EQUIPMENT**

At December 31, 2013, property and equipment, recorded at cost, and related accumulated depreciation and amortization consisted of the following:

Computer Equipment	\$	48,351
Furniture and Fixtures		37,561
Office Equipment		7,050
Capital Leased Equipment		35,000
Leasehold Improvements		30,037
		157,999
Less Accumulated Depreciation and Amortization		(114,793)
		43,206
Total	\$	43,206

**NATIONAL CENTER FOR VICTIMS OF CRIME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 4 NOTE PAYABLE**

The National Center for Victims of Crime had a line of credit with a financial institution originally at the amount of \$200,000 that was modified on May 30, 2012 to a note payable for \$124,645 that will mature 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 payment of \$1,915 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, 2013 was 5.50%. Borrowings are secured by receivables and property and equipment. Total outstanding amount as of December 31, 2013 was \$98,220.

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

<u>Year Ending December 31:</u>	<u>Amount</u>
2014	\$ 22,974
2015	22,974
2016	22,974
2017	22,974
Thereafter	17,554
Total	<u>109,452</u>
Less Amount Representing Interest	<u>(11,232)</u>
Total Note Payable	<u><u>\$ 98,220</u></u>

**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, 2013 was \$19,833.

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

<u>Year Ending December 31:</u>	<u>Amount</u>
2014	\$ 11,040
2015	11,040
2016	1,840
Total	<u>23,920</u>
Less Amount Representing Interest	<u>(4,803)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 19,117</u></u>

**NATIONAL CENTER FOR VICTIMS OF CRIME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 6 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2013 consist of the following:

Victim Services	\$ 53,691
Civil Justice	8,200
Public Policy	<u>22,909</u>
Total	<u>\$ 84,800</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, 2013 was approximately \$72,000.

**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.

**Revenue Risk**

The National Center for Victims of Crime is primarily supported by federal funding sources (approximately 41 percent for the year ended December 31, 2013) and is subject to availability of funds from these sources.

**NATIONAL CENTER FOR VICTIMS OF CRIME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**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, 2013 was \$314,970.

Future minimum annual rental payments under the office lease are:

2014	\$ 308,136
2015	316,610
2016	325,316
2017	334,263
2018	<u>255,832</u>
	<u>\$ 1,540,157</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 \$148,000 as of December 31, 2013.

**Severance Agreement**

The National Center for Victims of Crime has an employment agreement with its Executive Director. This agreement requires that the National Center pay the Executive Director one month for every one year period starting with the second year of employment for the total period of the employment if the National Center for Victims of Crime terminates the Executive Director's position.