

NATIONAL CRIME VICTIM
LAW INSTITUTE

Audited Financial Statements

For the Year Ended May 31, 2019



MCDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Crime Victim Law Institute

We have audited the accompanying financial statements of National Crime Victim Law Institute (a nonprofit corporation), which comprise the statement of financial position as of May 31, 2019, 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.

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 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 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 organization'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 organization'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 National Crime Victim Law Institute as of May 31, 2019, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited National Crime Victim Law Institute's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2019, on our consideration of National Crime Victim Law Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of National Crime Victim Law Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Crime Victim Law Institute's internal control over financial reporting and compliance.

McDonald Jacobz, P.C.

Portland, Oregon
September 20, 2019

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF FINANCIAL POSITION
May 31, 2019
(With comparative totals for 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 105,410	\$ 193,230
Accounts receivable	485,057	135,362
Prepaid expenses	50,168	16,501
Website, net of accumulated depreciation of \$18,000 in 2019 and \$14,500 in 2018	-	3,500
 TOTAL ASSETS	 \$ 640,635	 \$ 348,593
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 176,967	\$ 38,040
Deferred revenue	23,768	23,161
Due to College	476,139	194,876
Total liabilities	676,874	256,077
Net assets (deficit):		
Without donor restrictions	(37,239)	91,516
With donor restrictions	1,000	1,000
Total net assets deficit	(36,239)	92,516
 TOTAL LIABILITIES AND NET ASSETS	 \$ 640,635	 \$ 348,593

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF ACTIVITIES
For the year ended May 31, 2019
(With comparative totals for 2018)

	2019			2018
	Without donor restrictions	With donor restrictions	Total	Total
Support and revenue:				
Contributions	\$ 104,946	\$ 310	\$ 105,256	\$ 116,081
Government grants	1,520,878	-	1,520,878	776,111
Program service revenue	179,427	-	179,427	150,332
Donated assets and services	11,867	-	11,867	16,594
Other income	6,520	-	6,520	9,396
Net assets released from restrictions:				
Satisfaction of purpose restrictions	310	(310)	-	-
Total support and revenue	1,823,948	-	1,823,948	1,068,514
Expenses:				
Program services	1,576,785	-	1,576,785	827,078
Management and general	315,164	-	315,164	216,951
Fundraising	60,754	-	60,754	67,480
Total expenses	1,952,703	-	1,952,703	1,111,509
Change in net assets	(128,755)	-	(128,755)	(42,995)
Net assets (deficit):				
Beginning of year	91,516	1,000	92,516	135,511
End of year	\$ (37,239)	\$ 1,000	\$ (36,239)	\$ 92,516

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended May 31, 2019

	Program Services								Supporting Services			
	Equal Justice Works	OVC Wrap-Around	OVC Rural Law & Technology	OVC Rights Enforcement	Post-Conviction	Victim Assistance Academies	Small Contracts	Other Programs	Total Program Services	Management and General	Fundraising	Total
Salaries and related expenses	\$ 103,260	\$ 319,238	\$ 117,725	\$ 27,471	\$ 118,683	\$ 68,311	\$ 76,630	\$ 28,445	\$ 859,763	\$ 231,653	\$ 29,752	\$ 1,121,168
Professional fees	-	37,817	548	189	19,330	11,181	-	10,671	79,736	12,893	5,892	98,521
Services and supplies	-	570	57	675	-	4,843	150	102,389	108,684	56,165	23,025	187,874
Travel	2,594	59	3,656	-	2,143	3,004	6,518	6,957	24,931	75	-	25,006
Rent	4,671	17,516	5,806	1,283	5,521	3,469	3,210	2,086	43,562	14,378	2,085	60,025
Depreciation expense	-	-	-	-	-	-	-	3,500	3,500	-	-	3,500
Subrecipients	-	-	456,609	-	-	-	-	-	456,609	-	-	456,609
Total expenses	\$ 110,525	\$ 375,200	\$ 584,401	\$ 29,618	\$ 145,677	\$ 90,808	\$ 86,508	\$ 154,048	\$ 1,576,785	\$ 315,164	\$ 60,754	\$ 1,952,703

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended May 31, 2018

	Program Services							Supporting Services			
	Equal Justice Works	OVC Wrap-Around	OVC Rural Law & Technology	Post-Conviction	Victim Assistance Academies	Small Contracts	Other Programs	Total Program Services	Management and General	Fundraising	Total
Salaries and related expenses	\$ 11,940	\$419,785	\$ 22,460	\$ 25,720	\$ 64,311	\$ 80,231	\$ 36,566	\$ 661,013	\$ 140,543	\$ 45,186	\$ 846,742
Professional fees	-	39,971	-	-	12,978	-	3,949	56,898	44,816	116	101,830
Services and supplies	-	3,232	19	1,023	1,441	-	5,037	10,752	22,453	18,217	51,422
Travel	-	43,699	-	-	1,464	6,073	-	51,236	1,340	1,988	54,564
Rent	355	27,183	953	1,510	3,298	5,237	2,643	41,179	7,799	1,973	50,951
Depreciation expense	-	-	-	-	-	-	6,000	6,000	-	-	6,000
Total expenses	<u>\$ 12,295</u>	<u>\$ 533,870</u>	<u>\$ 23,432</u>	<u>\$ 28,253</u>	<u>\$ 83,492</u>	<u>\$ 91,541</u>	<u>\$ 54,195</u>	<u>\$ 827,078</u>	<u>\$ 216,951</u>	<u>\$ 67,480</u>	<u>\$ 1,111,509</u>

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF CASH FLOWS
For the year ended May 31, 2019
(With comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from contributions	\$ 102,756	\$ 128,581
Cash received from grants	1,173,683	726,382
Cash received from program services	180,034	203,325
Other cash receipts	6,520	9,396
Cash paid to employees and suppliers	(1,191,106)	(1,075,759)
Cash paid to subrecipients	<u>(359,707)</u>	<u>-</u>
Net cash flows from operating activities	<u>(87,820)</u>	<u>(8,075)</u>
Net change in cash and cash equivalents	(87,820)	(8,075)
Cash and cash equivalents - beginning of year	<u>193,230</u>	<u>201,305</u>
Cash and cash equivalents - end of year	<u>\$ 105,410</u>	<u>\$ 193,230</u>

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS
May 31, 2019

1. THE ORGANIZATION

National Crime Victim Law Institute (NCVLI or the Organization) is a nonprofit corporation, conceived in 1998 and established in 2000, that actively promotes balance and fairness in the justice system through crime-victim-centered legal advocacy, education, and resource sharing. To achieve its mission, NCVLI pursues three program areas: legal advocacy, training and education, and public policy. NCVLI is supported primarily through federal grants from the U.S. Department of Justice, which comprise approximately 65% and 61% of total revenues for the years ended May 31, 2019 and 2018, respectively.

NCVLI's activities include:

National Alliance of Victims' Rights Attorneys and Advocates (NAVRA). NAVRA is NCVLI's membership alliance of attorneys, advocates, law students, and other persons interested in advancing victims' rights. To ensure that this community has all of the tools necessary to effectively advocate for victims, NAVRA provides practical skills trainings and legal technical assistance in the form of research, writing, and strategic case consultation to practitioners nationwide, and facilitates an online community space.

Amicus Curiae Participation. In addition to its technical assistance to other victims' rights attorneys, NCVLI conducts impact litigation through the submission of amicus curiae ("friend of the court") briefs on victim law issues in state and federal trial and appellate cases around the nation.

Victim Law Education. NCVLI provides educational resources and trainings on victims' rights to attorneys, judges, victims, victim advocates and members of the public nationwide. The core initiatives include: NCVLI's annual Crime Victim Law Conference which offers a wide range of training for novice and experienced attorneys and advocates; the Crime Victim Litigation Clinic at Lewis & Clark Law School, which trains second and third year law students how to be a victims' rights attorney; and in-person and technology-assisted trainings on fundamental victims' rights issues.

Technical Assistance. To ensure victims' rights advocacy nationally is of the highest quality, NCVLI provides legal technical assistance to advocates and attorneys across the country. The technical assistance comes in the form of legal research and writing, case consultation, strategic advice, sample pleadings, sample legislation, and more.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Website and Equipment

Costs incurred for website development and acquisitions of equipment in excess of \$5,000 are capitalized. Website development expenditures and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received. Depreciation of the website and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Tax Status

National Crime Victim Law Institute is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. Based on tax law changes, the Organization may be subject to unrelated business income tax on certain taxable benefits. Any provision for income taxes associated with these changes is estimated to be immaterial. The Organization has no other activities subject to unrelated business income tax. The Organization is not a private foundation.

The Organization follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes*. Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Contributions

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

Program Services Revenue and Deferred Revenue

Revenues from program services are recognized as revenue in the period earned. Deferred revenue represents amounts collected in advance of providing services and is generally realized in the next year.

Donated Assets and Services

Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization recorded approximately \$200 and \$4,300 of professional services for program activities for the years ended May 31, 2019 and 2018, respectively. The Organization estimates that over 1,000 volunteer hours were provided in 2019 (over 1,700 hours in 2018). No amounts have been reflected in the financial statements related to these donated services as they do not meet the criteria for recording.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses, as well as rent, professional fees, services and supplies, which are allocated based on estimated time and effort.

Change in Accounting Principle

The Organization has implemented Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU modified net asset classification and enhances disclosures regarding liquidity and availability of resources and functional expense reporting. The ASU has been applied retrospectively to all periods presented.

Use of 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 the reported amounts of assets and liabilities and disclosure 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 could differ from those estimates.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Summarized Financial Information for 2018

The financial information as of May 31, 2018 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Subsequent Events

The Organization has evaluated all subsequent events through September 20, 2019, the date the financial statements were available to be issued.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2019

3. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets of the Organization consist of the following at May 31, 2019:

	Total Financial Assets	With Donor Restrictions	Available for General Expenditure
Cash and cash equivalents	\$ 105,410	\$ 1,000	\$ 104,410
Accounts receivable	485,057	-	485,057
Total financial assets	<u>\$ 590,467</u>	<u>\$ 1,000</u>	<u>\$ 589,467</u>

4. ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and consist of the following at May 31:

	2019	2018
U.S. Department of Justice	\$ 370,360	\$ 122,862
Pledges receivable - due within one year	10,000	12,500
Other receivables	104,697	-
Total accounts receivable	<u>\$ 485,057</u>	<u>\$ 135,362</u>

5. DUE TO COLLEGE

NCVLI was originally a program of Lewis & Clark College (the College) until being established as a separate nonprofit organization in 2003. The College continues to provide administrative, accounting and other supporting services to NCVLI under an administrative services agreement, and many transactions of NCVLI are processed by the College. The amounts owed to the College at year end for expenses incurred on behalf of NCVLI are reflected as Due to College on the statement of financial position and total \$476,139 and \$194,876 for the years ended May 31, 2019 and 2018, respectively.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2019

6. LEASE COMMITMENT

The Organization leases administrative offices under an operating lease that expires in January 2022, with monthly rent of \$4,729, subject to annual increases. Beginning April 1, 2019, the Organization added office space, which increased rent by \$978 per month with annual increases. Rent expense approximated \$54,400 and \$50,900 for the years ended May 31, 2019 and 2018, respectively.

Future minimum lease commitments under the office leases is as follows:

Years ending May 31, 2020	\$ 70,800
2021	73,000
2022	<u>49,600</u>
Total	<u>\$ 193,400</u>

7. RETIREMENT PLAN

The Organization participates in a 403(b) retirement plan maintained by the College. The plan includes a salary deferral arrangement for eligible employees. Employer contributions to the plan were 9% of eligible compensation for the years ended May 31, 2019 and 2018. Contributions to the plan approximated \$52,000 and \$44,900 during the years ended May 31, 2019 and 2018, respectively.

8. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

NCVLI entered into an administrative services agreement with Lewis & Clark College covering services provided by the college to NCVLI. NCVLI is billed periodically for actual costs incurred and the agreement may be terminated at any time with one year's notice.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2019

8. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in one financial institution. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit.

The Organization's credit risk for accounts receivable is concentrated with 76% and 91% of the balances coming from the U.S. Department of Justice for the years May 31, 2019 and 2018, respectively.