

NATIONAL CRIME VICTIM  
LAW INSTITUTE

Audited Financial Statements

For the Year Ended May 31, 2020



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, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2019 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 21, 2020, 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 21, 2020

NATIONAL CRIME VICTIM LAW INSTITUTE  
STATEMENT OF FINANCIAL POSITION  
May 31, 2020  
(With comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 313,064	\$ 105,410
Accounts receivable	862,049	485,057
Prepaid expenses	<u>22,805</u>	<u>50,168</u>
 TOTAL ASSETS	 <u>\$ 1,197,918</u>	 <u>\$ 640,635</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 396,886	\$ 176,967
Deferred revenue	-	23,768
Due to College	<u>702,821</u>	<u>476,139</u>
Total liabilities	<u>1,099,707</u>	<u>676,874</u>
Net assets (deficit):		
Without donor restrictions	97,211	(37,239)
With donor restrictions	<u>1,000</u>	<u>1,000</u>
Total net assets (deficit)	<u>98,211</u>	<u>(36,239)</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,197,918</u>	 <u>\$ 640,635</u>

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE  
STATEMENT OF ACTIVITIES  
For the year ended May 31, 2020  
(With comparative totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support and revenue:</b>				
Contributions	\$ 83,958	\$ -	\$ 83,958	\$ 64,828
Government grants	3,891,940	-	3,891,940	1,294,328
Program service revenue	475,306	-	475,306	447,819
Other income	17,349	-	17,349	16,973
Total support and revenue	4,468,553	-	4,468,553	1,823,948
<b>Expenses:</b>				
Program services	4,005,363	-	4,005,363	1,576,785
Management and general	300,667	-	300,667	315,164
Fundraising	28,073	-	28,073	60,754
Total expenses	4,334,103	-	4,334,103	1,952,703
Change in net assets	134,450	-	134,450	(128,755)
<b>Net assets (deficit):</b>				
Beginning of year	(37,239)	1,000	(36,239)	92,516
End of year	\$ 97,211	\$ 1,000	\$ 98,211	\$ (36,239)

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended May 31, 2020  
(With comparative totals for 2019)

	2020						2020 Total	2019 Total
	Program Services			Supporting Services				
	OVC Rural Law & Technology	OVC Rights Enforcement	Other Programs	Total Program Services	Management and General	Fundraising		
Salaries and related expenses	\$ 192,571	\$ 298,926	\$ 423,833	\$ 915,330	\$ 205,499	\$ 17,626	\$ 1,138,455	\$ 1,121,168
Professional fees	6,186	14,844	111,474	132,504	22,805	2,000	157,309	98,521
Services and supplies	3,383	3,024	92,474	98,881	57,477	6,972	163,330	187,874
Travel	5,539	6,194	13,390	25,123	-	-	25,123	25,006
Rent	12,382	17,580	23,110	53,072	14,886	1,475	69,433	60,025
Depreciation			-	-	-	-	-	3,500
Subrecipients	<u>1,163,228</u>	<u>1,617,225</u>	<u>-</u>	<u>2,780,453</u>	<u>-</u>	<u>-</u>	<u>2,780,453</u>	<u>456,609</u>
Total expenses	<u>\$ 1,383,289</u>	<u>\$ 1,957,793</u>	<u>\$ 664,281</u>	<u>\$ 4,005,363</u>	<u>\$ 300,667</u>	<u>\$ 28,073</u>	<u>\$ 4,334,103</u>	<u>\$ 1,952,703</u>

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE  
STATEMENT OF CASH FLOWS  
For the year ended May 31, 2020  
(With comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from contributions	\$ 73,958	\$ 102,756
Cash received from grants	3,524,948	1,173,683
Cash received from program services	451,538	180,034
Other cash receipts	3,102	6,520
Cash paid to employees and suppliers	(1,286,224)	(1,191,106)
Cash paid to subrecipients	<u>(2,559,668)</u>	<u>(359,707)</u>
Net cash flows from operating activities	<u>207,654</u>	<u>(87,820)</u>
 Net change in cash and cash equivalents	 207,654	 (87,820)
 Cash and cash equivalents - beginning of year	 <u>105,410</u>	 <u>193,230</u>
 Cash and cash equivalents - end of year	 <u>\$ 313,064</u>	 <u>\$ 105,410</u>

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2020

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 86% and 65% of total revenues for the years ended May 31, 2020 and 2019, 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, 2020

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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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.

Property and Equipment

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

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. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

NATIONAL CRIME VICTIM LAW INSTITUTE  
NOTES TO FINANCIAL STATEMENTS, Continued  
May 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Tax Status, Continued

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.

Revenue Recognition

Revenues from various sources are recognized as follows:

**Contributions:** Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**Government Grants:** A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditional upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization has been awarded cost-reimbursable grants of approximately \$6.15 million for the period through September 2022 that have not been recognized as of May 31, 2020 because qualifying expenditures have not yet been incurred. The Organization has not received any advances on these grants as of May 31, 2020.

**Program Service Fees:** Revenues from program services are recognized as revenue in the period services are provided. 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 support without donor restrictions unless the donor has restricted the donation to a specific purpose.

NATIONAL CRIME VICTIM LAW INSTITUTE  
NOTES TO FINANCIAL STATEMENTS, Continued  
May 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Donated Assets and Services, Continued

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 \$6,000 and \$200 of professional services for program activities for the years ended May 31, 2020 and 2019, respectively. The Organization estimates that over 500 volunteer hours were provided in 2020 (over 1,000 hours in 2019). No amounts have been reflected in the financial statements related to these donated services as they do not meet the criteria for recording.

Functional Expenses

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.

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.

Change in Accounting Principles

The Organization has implemented Accounting Standards Update 2018-08, *clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists organizations in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The provisions of ASU 2018-08 were implemented applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. There was no significant impact to the Organization's revenue recognition in either year presented for this change in accounting principle.

Summarized Financial Information for 2019

The financial information as of May 31, 2019 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

NATIONAL CRIME VICTIM LAW INSTITUTE  
NOTES TO FINANCIAL STATEMENTS, Continued  
May 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Subsequent Events

The Organization has evaluated all subsequent events through September 21, 2020, the date the financial statements were available to be issued.

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:

	2020	2019
Cash and cash equivalents	\$ 313,064	\$ 105,410
Accounts receivable	862,049	485,057
	1,175,113	590,467
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	1,000	1,000
Financial assets available for general expenditure	\$ 1,174,113	\$ 589,467

4. ACCOUNTS RECEIVABLE

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

	2020	2019
U.S. Department of Justice	\$ 775,604	\$ 370,360
Pledges receivable - due within one year	-	10,000
Other receivables	86,445	104,697
Total accounts receivable	\$ 862,049	\$ 485,057

NATIONAL CRIME VICTIM LAW INSTITUTE  
NOTES TO FINANCIAL STATEMENTS, Continued  
May 31, 2020

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 \$702,821 and \$476,139 at May 31, 2020 and 2019, respectively.

6. LEASE COMMITMENT

The Organization leases administrative offices under an operating lease that expires in January 2022, with monthly rent of \$5,017, subject to annual increases. Beginning April 1, 2019, the Organization added office space, with current monthly rent of \$1,007 subject to annual increases. Rent expense approximated \$69,400 and \$60,000 for the years ended May 31, 2020 and 2019, respectively.

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

Years ending May 31, 2021	\$ 73,000
2022	<u>49,600</u>
Total	<u>\$ 122,600</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, 2020 and 2019. Contributions to the plan approximated \$72,400 and \$52,000 during the years ended May 31, 2020 and 2019, respectively.

NATIONAL CRIME VICTIM LAW INSTITUTE  
NOTES TO FINANCIAL STATEMENTS, Continued  
May 31, 2020

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.

The Organization has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization's financial position is not known.

9. 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. Balances in excess of insured limits were approximately \$61,900 as of May 31, 2020.

The Organization's credit risk for accounts receivable is concentrated with 90% and 76% of the balances due from the U.S. Department of Justice at May 31, 2020 and 2019, respectively.