

**NATIONAL CRIME VICTIM
LAW INSTITUTE**

**Audited Financial
Statements**

**For the Year Ended
May 31, 2013**



MCDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

Jake Jacobs, CPA
Shareholder

Susan J. Marks, CPA
Shareholder

Mark A. Clift, CPA
Shareholder

Karin S. Wandtke, CPA
Shareholder

Sang Ahn, CPA
Shareholder

Gerard DeBlois Jr., CPA
Shareholder

Jill Oswald
Shareholder

Mary Strasdin, CPA
Principal

Dennis C. Johnson, CPA
of counsel

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, 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.

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.

Strength in Numbers

- 1 -

ACCOUNTANTS & CONSULTANTS

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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, 2013, and changes in its net assets and its cash flows for the year then ended in conformity 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 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McDonald Jacoby, P.C.

August 28, 2013

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF FINANCIAL POSITION
 May 31, 2013
 (With comparative totals for 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 156,364	\$ 117,820
Accounts receivable	144,094	129,792
Prepaid expenses	<u>21,530</u>	<u>23,290</u>
 TOTAL ASSETS	 <u>\$ 321,988</u>	 <u>\$ 270,902</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 35,624	\$ 32,671
Deferred revenue	29,927	28,304
Due to College	<u>133,243</u>	<u>60,440</u>
 Total liabilities	 <u>198,794</u>	 <u>121,415</u>
Net assets:		
Unrestricted net assets	123,080	149,487
Temporarily restricted	<u>114</u>	<u>-</u>
 Total net assets	 <u>123,194</u>	 <u>149,487</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 321,988</u>	 <u>\$ 270,902</u>

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF ACTIVITIES
For the year ended May 31, 2013
(With comparative totals for 2012)

	2013			2012 Total
	Unrestricted	Temporarily Restricted	Total	
Support and revenue:				
Contributions	\$ 76,322	\$ 114	\$ 76,436	\$ 78,362
Government grants	362,082	-	362,082	1,483,212
Program service revenue	398,887	-	398,887	66,570
Donated assets and services	37,960	-	37,960	36,571
Investment income	812	-	812	440
Other income	13,073	-	13,073	8,874
Total support and revenue	<u>889,136</u>	<u>114</u>	<u>889,250</u>	<u>1,674,029</u>
Expenses:				
Program services	712,774	-	712,774	1,395,296
Management and general	165,596	-	165,596	225,431
Fundraising	37,173	-	37,173	36,134
Total expenses	<u>915,543</u>	<u>-</u>	<u>915,543</u>	<u>1,656,861</u>
Change in net assets	(26,407)	114	(26,293)	17,168
Unrestricted net assets:				
Beginning of year	<u>149,487</u>	<u>-</u>	<u>149,487</u>	<u>132,319</u>
End of year	<u>\$ 123,080</u>	<u>\$ 114</u>	<u>\$ 123,194</u>	<u>\$ 149,487</u>

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended May 31, 2013
 (With comparative totals for 2012)

	Program Services							Supporting Services		2012 Total
	Child Victimization	TIAC	OVW	Poly- victimization	Byrne Programs	Other Programs	Program Services	Management and General	Fundraising	
Salaries and related expenses	\$ 52,160	\$ 265,665	\$ 91,926	\$ 123,111	\$ 7,380	\$ 71,715	\$ 611,957	\$ 85,852	\$ 25,520	\$ 786,594
Professional fees	2,418	4,920	1,910	1,865	37	17,685	28,835	61,469	1,386	162,823
Services and supplies	541	61	141	291	253	20,416	21,703	10,930	7,975	53,710
Travel	4,020	-	1,124	482	2,104	3,828	11,558	854	18	26,066
Rent	3,639	16,855	6,069	8,468	409	3,281	38,721	6,491	2,274	46,221
Subrecipients	-	-	-	-	-	-	-	-	-	581,447
Total expenses	\$ 62,778	\$ 287,501	\$ 101,170	\$ 134,217	\$ 10,183	\$ 116,925	\$ 712,774	\$ 165,596	\$ 37,173	\$ 1,656,861

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
STATEMENT OF CASH FLOWS
For the year ended May 31, 2013
(With comparative totals for 2012)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from contributions	\$ 76,436	\$ 78,362
Cash received from grants	402,504	2,024,794
Cash received from program services	344,163	66,570
Other cash receipts	15,508	19,158
Cash paid to subrecipients	-	(752,378)
Cash paid to employees and suppliers	<u>(800,067)</u>	<u>(1,376,391)</u>
 Net cash provided by operating activities	 38,544	 60,115
 Cash and cash equivalents - beginning of year	 <u>117,820</u>	 <u>57,705</u>
 Cash and cash equivalents - end of year	 <u>\$ 156,364</u>	 <u>\$ 117,820</u>
 Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ (26,293)	\$ 17,168
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	(14,302)	541,582
Prepaid expenses	1,760	31
Increase (decrease) in:		
Accounts payable and accrued expenses	2,953	(43,321)
Due to subrecipients	-	(170,931)
Deferred revenue	1,623	9,844
Due to College	<u>72,803</u>	<u>(294,258)</u>
 Net cash provided by operating activities	 <u>\$ 38,544</u>	 <u>\$ 60,115</u>

See notes to financial statements.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

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 43% and 88% of total revenues for the years ended May 31, 2013 and 2012, respectively. Additional revenue from a training contract with one organization was approximately 37% of revenues for the year ended May 31, 2013.

NCVLI's activities include:

National Alliance of Victims' Rights Attorneys (NAVRA). NAVRA is NCVLI's membership alliance of attorneys, advocates, law students, and other persons interested in advancing victims' rights. To ensure that 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.

Responding to Violence Against Women. Because victims of domestic violence, sexual assault, stalking, dating violence, and other acts of violence against women face unique hurdles in accessing justice, NCVLI launched this project to provide focused legal technical assistance and training to attorneys and advocates dedicated to serving these populations.

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; publication of the bi-annual legal newsletter, *NCVLI News*, which contains substantive victim law articles; and in-person and technology-assisted trainings on fundamental victims' rights issues.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2013

1. THE ORGANIZATION, Continued

Safeguarding Child-Victims' Rights Initiative. Children victimized by crime are one of the most vulnerable victim populations. To be effective advocates for child-victims, attorneys must understand the complexities of victims' rights law generally, child-victimization specifically, and the unique challenges presented in each justice system faced by the child-victim. Through the Organization's Safeguarding Child-Victims' Rights Initiative, NCVLI is addressing these gaps by providing focused legal technical assistance and training to attorneys who serve child-victims.

Office For Victims of Crime Training and Technical Assistance Center. In 2012, NCVLI became active in a national initiative, working with the Office for Victims of Crime Training and Technical Assistance Center (OVC-TTAC) of Fairfax, Virginia on a national initiative Legal Assistance for Crime Victims: An OVC Capacity Building Initiative. The Initiative aims to develop and expand the availability of pro-bono and low cost legal assistance for victims of crime and promote rights recognition and their enforcement. This effort engaged the organization's central strengths of research, training, outreach and awareness building, and building collaborative relationships among legal professionals. The work has involved technical assistance for attorneys, victims, and advocates nationwide, amicus curiae participation in State, Federal and Military courts, production of webinars, and legal publications.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as unrestricted or restricted net assets. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Temporarily restricted net assets are subject to donor-imposed stipulations that will be met, either by actions of the Organization and/or the passage of time.

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.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2013

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. 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.

The Organization's information returns for years ended May 31, 2009 and prior are generally no longer subject to examination by taxing authorities in its major tax jurisdictions.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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 recorded approximately \$6,200 and \$2,100 in donated supplies used for supporting services for the years ended May 31, 2013 and 2012, respectively.

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 \$31,800 and \$34,400 of professional services for program activities for the years ended May 31, 2013 and 2012, respectively.

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2013

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.

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 2012

The financial information as of May 31, 2012 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 August 28, 2013, the date the financial statements were available to be issued.

3. ACCOUNTS RECEIVABLE

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

	<u>2013</u>	<u>2012</u>
U.S. Department of Justice	\$ 79,285	\$ 105,386
Training & Technical Assistance contract	54,725	-
Other receivables	<u>10,084</u>	<u>24,406</u>
Total accounts receivable	<u>\$ 144,094</u>	<u>\$ 129,792</u>

NATIONAL CRIME VICTIM LAW INSTITUTE
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2013

4. 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 \$133,243 and \$60,440 for the years ended May 31, 2013 and 2012, respectively.

5. LEASE COMMITMENT

The Organization leases administrative offices under an operating lease that expires in December 2013, with initial monthly rent of \$3,059, subject to annual increases. A portion of the space is sublet under an agreement through December 2013. Monthly sub-lease income of \$474, with annual increases of 3%, is reported by the Organization as a reduction in rent expense. Rent expense under the agreements approximated \$48,600 and \$47,100 for the years ended May 31, 2013 and 2012, respectively.

Future minimum lease commitments under the office lease total approximately \$31,300 in rent expense and \$3,500 in sublease income for the year ending May 31, 2014.

6. 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% and 10% of eligible compensation for the years ended May 31, 2013 and 2012, respectively. Contributions to the plan approximated \$46,300 and \$48,700 during the years ended May 31, 2013 and 2012, respectively.

7. 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 has 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, 2013

8. CONCENTRATIONS OF CREDIT RISK

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