

**NETWORK FOR VICTIM RECOVERY OF DC**  
**(a nonprofit organization)**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2022**  
**with Summarized Comparative Information for the year ended**  
**September 30, 2021**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Network for Victim Recovery of DC  
Washington, D.C.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Network for Victim Recovery of DC (NVRDC), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NVRDC as of September 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter - Contingencies***

As discussed in Note 12 to the financial statements, economic uncertainties have arisen as a result of the spread of the novel coronavirus which are likely to impact NVRDC's operations. Our opinion is not modified with respect to this matter and no pandemic implications are accounted for in these financial statements.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NVRDC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NVRDC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NVRDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NVRDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

We have previously audited NVRDC's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, 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 April 30, 2023, on our consideration of NVRDC'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 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 NVRDC'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 NVRDC's internal control over financial reporting and compliance.

*Renner and Company, CPA, P.C.*

Alexandria, Virginia

April 30, 2023

**NETWORK FOR VICTIM RECOVERY OF DC**

**STATEMENT OF FINANCIAL POSITION**

**September 30, 2022 (with Comparative Information as of September 30, 2021)**

<b>ASSETS</b>			
		<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>			
Cash, including board-designated amounts of \$52,469 and donor restricted amounts of \$22,088		\$ 621,057	\$ 721,109
Grants and other receivables		578,651	273,063
Prepaid expenses		34,375	42,482
<b>TOTAL CURRENT ASSETS</b>		<u>1,234,083</u>	<u>1,036,654</u>
<b>PROPERTY AND EQUIPMENT, net</b>		<u>11,694</u>	<u>22,878</u>
<b>OTHER ASSETS</b>			
Right-of-use asset		176,021	-
Deposits		39,966	20,841
<b>TOTAL OTHER ASSETS</b>		<u>215,987</u>	<u>20,841</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 1,461,764</u></u>	<u><u>\$ 1,080,373</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses		\$ 265,969	\$ 141,145
Deferred rent - current portion		-	15,715
Deferred revenue		91,000	75,500
Operating lease liability - current		118,544	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>475,513</u>	<u>232,360</u>
<b>OTHER LIABILITIES</b>			
Deferred rent - net of current portion		-	1,982
Operating lease liability - net of current portion		58,100	-
<b>TOTAL OTHER LIABILITIES</b>		<u>58,100</u>	<u>1,982</u>
<b>TOTAL LIABILITIES</b>		<u>533,613</u>	<u>234,342</u>
<b>NET ASSETS</b>			
Without donor restrictions		853,594	775,632
Without donor restrictions - board designated		52,469	52,464
With donor restrictions		22,088	17,935
<b>TOTAL NET ASSETS</b>		<u>928,151</u>	<u>846,031</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><u>\$ 1,461,764</u></u>	<u><u>\$ 1,080,373</u></u>

See Notes to Financial Statements.

# **NETWORK FOR VICTIM RECOVERY OF DC**

## **STATEMENT OF ACTIVITIES**

**Year Ended September 30, 2022 (with Summarized Comparative Information for the year ended September 30, 2021)**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE AND SUPPORT</b>				
Government grants	\$ 3,796,685	\$ -	\$ 3,796,685	\$ 3,095,908
Donated services	3,007,685	-	3,007,685	2,448,508
Other contributions	228,799	-	228,799	227,444
Foundation grants	1,478	114,022	115,500	102,000
Other income	8,950	-	8,950	34,069
Interest income	5	-	5	5
Releases from restriction	109,869	(109,869)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>7,153,471</b>	<b>4,153</b>	<b>7,157,624</b>	<b>5,907,934</b>
<b>EXPENSES</b>				
Program	6,246,838	-	6,246,838	5,044,373
Management and general	799,828	-	799,828	601,230
Fundraising	28,838	-	28,838	20,485
<b>TOTAL EXPENSES</b>	<b>7,075,504</b>	<b>-</b>	<b>7,075,504</b>	<b>5,666,088</b>
<b>CHANGE IN NET ASSETS</b>	<b>77,967</b>	<b>4,153</b>	<b>82,120</b>	<b>241,846</b>
<b>NET ASSETS, beginning of year</b>	<b>542,716</b>	<b>61,469</b>	<b>846,031</b>	<b>604,185</b>
<b>NET ASSETS, end of year</b>	<b>\$ 620,683</b>	<b>\$ 65,622</b>	<b>\$ 928,151</b>	<b>\$ 846,031</b>

See Notes to Financial Statements.

**NETWORK FOR VICTIM RECOVERY OF DC**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended September 30, 2022 (with Comparative Information for the year ended September 30, 2021)**

	2022				2021			
	Program Services	General and Administration	Fundraising	Total	Program Services	General and Administration	Fundraising	Total
Donated services	\$ 3,007,685	\$ -	\$ -	\$ 3,007,685	\$ 2,448,508	\$ -	\$ -	\$ 2,448,508
Salary and wages	2,277,982	401,941	18,204	2,698,127	1,933,443	240,187	6,233	2,179,863
Program activities	274,386	15,836	88	290,310	13,207	7,574	650	21,431
Other employee benefits	198,887	30,326	1,544	230,757	178,273	25,579	541	204,393
Payroll taxes	189,125	32,971	1,472	223,568	165,756	20,500	527	186,783
Independent contractors	126,534	1,316	2,938	130,788	109,459	1,500	-	110,959
Occupancy	130	101,955	-	102,085	-	127,973	-	127,973
Professional fees	5,466	92,585	469	98,520	3,915	87,285	1,438	92,638
Contracted services	87,384	9,413	-	96,797	118,311	6,413	-	124,724
Information technology	10,168	59,465	1,010	70,643	14,893	32,975	1,240	49,108
Office expenses	22,182	5,209	795	28,186	33,507	2,298	8,606	44,411
Travel	27,202	-	-	27,202	14,695	67	-	14,762
Communication	136	26,336	-	26,472	1,977	24,240	-	26,217
Insurance	12,696	5,992	141	18,829	6,384	9,940	45	16,369
Depreciation and amortization	-	11,184	-	11,184	-	12,699	-	12,699
Advertising and promotion	4,575	5,299	-	9,874	45	-	-	45
Training	2,300	-	-	2,300	2,000	2,000	-	4,000
Fundraising activities	-	-	2,177	2,177	-	-	1,205	1,205
<b>TOTAL EXPENSES</b>	<b>\$ 6,246,838</b>	<b>\$ 799,828</b>	<b>\$ 28,838</b>	<b>\$ 7,075,504</b>	<b>\$ 5,044,373</b>	<b>\$ 601,230</b>	<b>\$ 20,485</b>	<b>\$ 5,666,088</b>

See Notes to Financial Statements.



**NETWORK FOR VICTIM RECOVERY OF DC****STATEMENT OF CASH FLOWS****Year Ended September 30, 2022 (with Comparative Information for the year ended September 30, 2021)**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from operations		
Support and revenue	\$ 3,859,846	\$ 3,401,208
Interest income	<u>5</u>	<u>5</u>
Total cash received from operations	<u>3,859,851</u>	<u>3,401,213</u>
Cash disbursed by operations		
Payment to suppliers and employees	<u>3,959,903</u>	<u>3,223,643</u>
<b>NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(100,052)</u>	<u>177,570</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>-</u>	<u>(11,999)</u>
<b>NET (DECREASE) INCREASE IN CASH AND RESTRICTED CASH</b>	(100,052)	165,571
<b>CASH AND RESTRICTED CASH, beginning of year</b>	<u>721,109</u>	<u>555,538</u>
<b>CASH AND RESTRICTED CASH, end of year</b>	<u><u>\$ 621,057</u></u>	<u><u>\$ 721,109</u></u>

See Notes to Financial Statements.

**NETWORK FOR VICTIM RECOVERY OF DC****STATEMENT OF CASH FLOWS****Year Ended September 30, 2022 (with Comparative Information for the year ended September 30, 2021)**

	<u>2022</u>	<u>2021</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<u>\$ 82,120</u>	<u>\$ 241,846</u>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>		
Depreciation and amortization expense	11,184	12,699
Forgiveness of Paycheck Protection Program loan	-	(30,000)
Non-cash occupancy costs	<u>(17,074)</u>	<u>809</u>
<b>NET ADJUSTMENTS</b>	<u>(5,890)</u>	<u>(16,492)</u>
<b>CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING CASH</b>		
<b>ASSETS</b>		
Grants and other receivables	(305,588)	(46,713)
Prepaid expenses	8,107	(13,259)
Security deposit	<u>(19,125)</u>	<u>-</u>
	<u>(316,606)</u>	<u>(59,972)</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	124,824	(6,312)
Deferred revenue	<u>15,500</u>	<u>18,500</u>
	<u>140,324</u>	<u>12,188</u>
<b>NET CHANGES IN ASSETS AND LIABILITIES</b>	<u>(176,282)</u>	<u>(47,784)</u>
<b>NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ (100,052)</u></u>	<u><u>\$ 177,570</u></u>
<b>NON-CASH FINANCING ACTIVITIES</b>		
Forgiveness of Paycheck Protection Program loan payable	\$ -	\$ 30,000
Gain on extinguishment of debt	<u>-</u>	<u>(30,000)</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements.

## **NETWORK FOR VICTIM RECOVERY OF DC**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE**

##### **Nature of Activities**

Network for Victim Recovery of DC (NVRDC) is a nonprofit organization incorporated under the laws of the District of Columbia (DC) on March 26, 2012. NVRDC was established to address the needs of crime victims in the District of Columbia. By meeting victims where they are, NVRDC provides holistic, comprehensive services to crime victims through civil and criminal legal services, advocacy, and case management. NVRDC also runs the Sexual Assault Crisis Response Project in providing advocacy and case management to all sexual assault survivors seeking a medical forensic exam in DC. Through a coordinated effort with other community-based organizations, faith-based organizations, law firms, businesses and government agencies, NVRDC aims to strengthen DC's safety net for crime victims and assist in rebuilding families and communities in the Nation's capital.

##### **Basis of Accounting**

NVRDC prepares its financial statements on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized when the obligations are incurred. All revenue and expenses that are applicable to future periods have been presented as deferred or prepaid on the accompanying statement of financial position.

##### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash consists of two checking accounts and a savings account. NVRDC considers all highly liquid debt instruments purchased with an original maturity of less than three months and money market funds to be cash equivalents. There were no cash equivalents as of September 30, 2022 and 2021, respectively.

##### **Grants and Other Receivables**

Grants and other receivables consist of amounts billed to federal government agencies, DC government agencies, and other grantors for services provided under the terms of grants or similar documents. Bills are considered due within 30 day of invoice date. Grants and other receivables are reported net of an allowance for doubtful accounts. Management estimates that there are no uncollectible receivables as of September 30, 2022 and 2021, respectively. Therefore, no allowance for doubtful accounts is recorded as of each fiscal year end. It is NVRDC's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

## **NETWORK FOR VICTIM RECOVERY OF DC**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)**

##### **Property and Equipment**

NVRDC has adopted a policy to capitalize all purchases greater than \$1,000 that meet the criteria for capitalization. Routine repairs and maintenance are expensed as incurred. The depreciation period of computer hardware is 3 years on a straight-line basis. For office equipment and furniture, the depreciation period is 7 years on a straight-line basis.

##### **Website Development Costs**

Website development costs are accounted for as capital assets and amortized on a straight-line basis over their estimated useful life of three years. Costs related to the planning stage of website development projects as well as ongoing website operating and support costs are expensed as incurred.

##### **Classes of Assets**

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), NVRDC's net assets are classified into two categories as follows:

##### **Net Assets Without Donor Restriction**

NVRDC includes operating net assets which are available for the general operations of the Association as net assets without donor restriction, as well as Board-designated net assets set aside for future use.

##### **Net Assets With Donor Restriction**

NVRDC reports gifts of cash and other restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

## **NETWORK FOR VICTIM RECOVERY OF DC**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)**

##### **Revenue Recognition**

NVRDC recognizes all unconditional contributed support in the period in which the commitment is made. When a donor restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Grant revenue is recorded as earned according to the provisions of the grant. The provisions of the grant determine the timing of revenue recognition. Grants received from federal, state and local governments are considered conditional promises to give and are recognized as net assets without donor restrictions as the conditions are met.

##### **Income Taxes**

NVRDC is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. NVRDC conducts no taxable activities. Accordingly, no provision for income taxes has been provided in the financial statements.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated NVRDC's tax position and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the guidance.

##### **Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about 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. Accordingly, actual results could differ from those estimates.

The costs incurred under various programs with the U.S. Department of Justice are subject to audit by the government for allowability. Management estimates that all costs are allowable; therefore, no provision for unallowable cost has been established.

## **NETWORK FOR VICTIM RECOVERY OF DC**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)**

##### **Gifts-in-kind**

Donated facilities, goods, and services are recorded at the estimated fair market value on the date of receipt. Donated services are recognized in the financial statement at their fair value if the services require specialized skills and the services would typically need to be purchased if not donated. In-kind contributions for donated legal services were \$3,007,685 and \$2,448,508 for the years ended September 30, 2022 and 2021, respectively. In-kind contributions are reported in the statement of activities as both revenue and expense. If a donated asset is provided that does not allow NVRDC to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or a specialist depending on the type of asset.

##### **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as salaries and wages, program activities, other employee benefits, payroll taxes, independent contractors, occupancy, professional fees, contracted services, information technology, office expenses, communication, insurance and advertising and promotion have been allocated among the program and supporting services benefits based on level of effort.

##### **Summarized Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the NVRDC's financial statements for the year ended September 30, 2021, from which the summarized information was derived.

##### **Adoption of New Accounting Standard**

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This guidance is intended to increase transparency and comparability among lessees by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 requires lessees to report a right-of-use asset along with a lease liability.

## NETWORK FOR VICTIM RECOVERY OF DC

### NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)

#### 1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

##### Adoption of New Accounting Standard (Continued)

NVRDC has adopted the financial statement recognition, presentation and disclosure standards contained in the Financial Accounting Standards Board Accounting Standards Update 2016-02, Topic 842, *Leases*. The change has been applied as of September 30, 2022 with no effect on beginning net assets without donor restrictions. As a result, the statement of financial position as of September 30, 2022 includes a right-of-use asset and operating lease liability.

NVRDC elected to apply all practical expedients available under the standard, allowing it to not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; not reassess the lease classification for any expired or existing leases; and not reassess initial direct costs for any existing leases.

##### Liquidity and Availability of Assets

NVRDC maintains a liquid cash balance in checking and money market accounts in an amount necessary to meet its anticipated expenditures for the next 30 days. Cash in excess of this amount is invested in short-term investments.

NVRDC has secured a line of credit of up to \$100,000 to help manage cash flow. There was no borrowing during the year ended September 30, 2022. The line of credit expires February 8, 2024.

NVRDC reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of the NVRDC's monthly financial reporting process.

The NVRDC's financial assets available within one year to meet cash needs for general expenditures through September 30, 2023 are as follows:

Financial Assets	
Cash	\$ 621,057
Grants and other receivables	578,651
Total financial assets	<u>\$ 1,199,708</u>
Less amounts not available within one year	
Purpose restricted net assets	(22,088)
Board designated net assets	<u>(52,469)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 1,125,151</u></u>

## NETWORK FOR VICTIM RECOVERY OF DC

### NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)

#### 2. CASH

Cash as of September 30, 2022 and 2021 consisted of the following:

	2022	2021
Checking and savings accounts	\$ 621,057	\$ 721,109

The balances in a financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. The amounts in excess of deposit insurance limits were \$361,332 and \$471,109 as of September 30, 2022 and 2021, respectively.

#### 3. GRANTS AND OTHER RECEIVABLES

Receivables as of September 30, 2022 and 2021 consisted of the following:

	2022	2021
Grants receivable		
Government of the District of Columbia		
Office of Victim Services	\$ 478,703	\$ 188,859
United States Department of Justice		
Office of Justice Programs	44,412	76,675
United States Department of Human Services	16,063	-
Other receivables	39,473	7,529
	<u>\$ 578,651</u>	<u>\$ 273,063</u>

#### 4. PROPERTY AND EQUIPMENT

A summary of information relative to property and depreciation for the years ended September 30, 2022 and 2021 is as follows:

	2022			
	Cost	Depreciation expense	Accumulated depreciation	Useful life (years)
Furniture and office equipment	\$ 51,688	\$ 9,670	\$ 39,994	7
Computer equipment	15,147	1,514	15,147	3
	<u>\$ 66,835</u>	<u>\$ 11,184</u>	<u>\$ 55,141</u>	



## NETWORK FOR VICTIM RECOVERY OF DC

### NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)

#### 4. PROPERTY AND EQUIPMENT (CONTINUED)

	2021			
	Cost	Depreciation expense	Accumulated depreciation	Useful life (years)
Furniture and equipment	\$ 51,688	\$ 9,669	\$ 30,324	7
Computer equipment	15,147	3,030	13,633	3
	<u>\$ 66,835</u>	<u>\$ 12,699</u>	<u>\$ 43,957</u>	

#### 5. INTANGIBLE ASSETS, net

Intangible assets for the year ended September 30, 2022 and 2021 consisted of the following:

	2022			
	Cost	Amortization expense	Accumulated amortization	Useful life (years)
Website development costs	<u>\$ 14,500</u>	<u>\$ -</u>	<u>\$ 14,500</u>	<u>3</u>

	2021			
	Cost	Amortization expense	Accumulated amortization	Useful life (years)
Website development costs	<u>\$ 14,500</u>	<u>\$ -</u>	<u>\$ 14,500</u>	<u>3</u>

#### 6. LINE OF CREDIT

NVRDC has a line of credit at PNC Bank in the amount of \$100,000 with interest payable at an initial rate of 6.3%. The line of credit is secured by NVRDC's cash accounts. There were no balances outstanding on this line of credit at September 30, 2022 and 2021. The line of credit expires on February 8, 2024.

## NETWORK FOR VICTIM RECOVERY OF DC

### NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)

#### 7. BOARD DESIGNATED FUND

Board designated funds available for use of future unbudgeted expenditures that the Board of Directors deems necessary as of September 30, 2022 and 2021 are as follows:

	2022			Balance at September 30, 2022
	Balance at September 30, 2021	Revenue and Support	Transfers Out	
Reserve	<u>\$ 52,464</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 52,469</u>
	2021			Balance at September 30, 2021
	Balance at September 30, 2020	Revenue and Support	Transfers Out	
Reserve	<u>\$ 52,459</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 52,464</u>

#### 8. NET ASSETS WITH DONOR RESTRICTION

Net assets without donor restriction are available as of September 30, 2022 and 2021 for the following purposes:

	2022			Balance at September 30, 2022
	Balance at September 30, 2021	Revenue and Support	Released from Restriction	
Foundation grants	\$ 17,132	\$ 109,022	\$ (104,066)	\$ 22,088
SS Fund	803	-	(803)	-
Holy Trinity Catholic Church	-	5,000	(5,000)	-
Total	<u>\$ 17,935</u>	<u>\$ 114,022</u>	<u>\$ (109,869)</u>	<u>\$ 22,088</u>

## NETWORK FOR VICTIM RECOVERY OF DC

### NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)

#### 8. NET ASSETS WITH DONOR RESTRICTION (CONTINUED)

	2021			
	Balance at September 30, 2020	Revenue and Support	Released from Restriction	Balance at September 30, 2021
Foundation grants	\$ 19,035	\$ 98,000	\$ (99,903)	\$ 17,132
SS Fund	2,278	-	(1,475)	803
UMD	2,468	-	(2,468)	-
Philip Graham Fund	37,688	-	(37,688)	-
Total	<u>\$ 61,469</u>	<u>\$ 98,000</u>	<u>\$ (141,534)</u>	<u>\$ 17,935</u>

#### 9. GIFTS-IN-KIND - DONATED SERVICES

Gifts-in-kind consist of pro bono legal services and training as part of NVRDC's legal assistance to crime victims programs. Due to the nature of these nonfinancial assets, the services were all utilized in the period they were received and there were no donor restrictions imposed on them. Inputs used to measure the initial recognition of donated services consist of invoices generated by the contributing law firm, which are based on current market rates for the services incurred. For the years ended September 30, 2022 and 2021, donated services consisted of the following:

	2022	2021
Pro bono legal services and training	<u>\$ 3,007,685</u>	<u>\$ 2,448,508</u>

#### 10. REVENUE CONCENTRATION

Approximately 53% and 52% of NVRDC's revenue was derived from grants and contracts awarded by agencies of the United States Department of Justice and other governmental entities for the years ended September 30, 2022 and 2021, respectively. NVRDC has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect NVRDC's ability to finance ongoing operations.

Federal and District of Columbia grants are subject to audit by the granting agency at the agencies' discretion and may result in funds being disallowed. If a significant reduction in this source of revenue occurs, it may affect the future operations of NVRDC.

## NETWORK FOR VICTIM RECOVERY OF DC

### NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)

#### 11. RETIREMENT PLAN

NVRDC maintains a voluntary 403(b) plan for which employees can contribute and NVRDC provides a 2% matching contribution. NVRDC's contributions to the plan were \$52,095 and \$38,569, for the years ended September 30, 2022 and 2021, respectively.

#### 12. COMMITMENTS

##### Operating Lease

NVRDC renewed its office lease for eighteen additional months on July 28, 2022 for its Washington, D.C. offices. The lease, which expires April 30, 2024, provides for escalations in base rental payments. Rent payments are recognized as expense on the straight line basis over the term of the lease. No lease expense was recorded during the year ended September 30, 2022 as the lease commenced subsequent to the year end on November 1, 2022.

NVRDC has used a discount rate of 2.93% to calculate the present value of the sum of the lease payments, which is its recorded lease liability. This rate is determined to be the Treasury bill rate, as published by the U.S. Department of the Treasury, as of the lease agreement execution date and reflects NVRDC's risk-free rate. The rate is the coupon equivalent or investment yield for a 52-week bill and is based on the purchase price, discount and a 365- or 366-day year.

The weighted average remaining lease term for NVRDC's leases is 18 months. The weighted average discount rate used for NVRDC's leases is 2.93%.

As of September 30, 2022, future minimum lease payments under this lease are as follows:

For the fiscal year ended:	
2023	\$ 103,796
2024	<u>68,034</u>
	<u>\$ 171,830</u>

##### COVID-19 Coronavirus

Citizens and economies of the United States and other countries have been significantly impacted by the coronavirus (COVID-19) pandemic. While it is premature to accurately predict how the coronavirus will ultimately affect NVRDC's operations because the disease's severity and duration are uncertain, we expect 2023 financial results will be significantly impacted and the implications beyond 2023, while unclear, could also be adversely impacted. No pandemic implications are accounted for in these financial statements.

## **NETWORK FOR VICTIM RECOVERY OF DC**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2022 (with Comparative Information as of and for the year ended September 30, 2021)**

#### **13. SUBSEQUENT EVENTS**

In preparing the financial statements, NVRDC has evaluated events and transactions for potential recognition or disclosure through April 30, 2023, the date the financial statements were available to be issued.

##### **Acquisition**

Subsequent to the fiscal year end, NVRDC acquired Domestic Violence Legal Empowerment and Appeals Project, a nonprofit entity operating in the District of Columbia, in October 2022 as a subsidiary and additional project of NVRDC.