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# **VIOLENCE POLICY CENTER**

**Financial Statements &  
Report of Independent Auditors  
for the year ended December 31, 2017**

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**DESAI COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Violence Policy Center

We have audited the accompanying financial statements of the Violence Policy Center (VPC) (a nonprofit organization) , which comprise the statement of financial position as of December 31, 2017 and the related statements of activities 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**

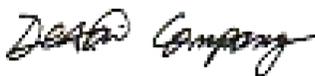
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Violence Policy Center as of December 31, 2017, and the 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.



Bowie, Maryland  
September 28, 2018

# VIOLENCE POLICY CENTER

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

### ASSETS

#### Current Assets

Cash and cash equivalents	\$804,688
Prepaid expenses	15,218
Accounts receivable	-
Security deposit	26,364

Total current assets 846,270

#### Non current assets

Furniture and equipment	191,354
less: accumulated depreciation	(170,286)

Total non current assets 21,068

Total assets \$867,338

### LIABILITIES AND NET ASSETS

#### Current liabilities

Accounts payable	\$ 2,501
Deferred grants	-

Total current liabilities 2,501

#### Net assets

Unrestricted	594,837
Temporarily restricted	270,000

Total net assets 864,837

Total liabilities and net assets \$867,338

See accountant's notes

# VIOLENCE POLICY CENTER

## STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2017

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Revenue and support			
Contributions and grants	\$707,000	\$500,099	\$1,207,099
Interest	682		682
Net assets released from restrictions	<u>230,099</u>	<u>(230,099)</u>	<u>-</u>
Total revenue and support	<u>937,781</u>	<u>270,000</u>	<u>1,207,781</u>
Expenses			
Program services	678,673	-	678,673
Management and general	77,429	-	77,429
Outreach and development	<u>17,871</u>	<u>-</u>	<u>17,871</u>
Total expenses	<u>773,973</u>	<u>-</u>	<u>773,973</u>
Change in net assets	163,808	270,000	433,808
Net assets at beginning of year	<u>431,029</u>	<u>-</u>	<u>431,029</u>
Net assets at end of year	<u>\$594,837</u>	<u>\$270,000</u>	<u>\$864,837</u>

See accountant's notes

# VIOLENCE POLICY CENTER

## STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities	
Change in net assets	<b>\$433,808</b>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	5,267
Increase in security deposit	(15,649)
Decrease in prepaid expenses	320
Decrease in deferred grants	(257,000)
Increase in accounts payable	<u>25</u>
Total adjustments	<u>(267,037)</u>
Net cash provided by operating activities	<u>166,771</u>
Cash flows from investing activities	
Purchase of furniture and equipment	<u>(26,335)</u>
Net increase in cash flow and cash equivalents	140,436
Cash and cash equivalents, beginning of year	<u>664,252</u>
Cash and cash equivalents, end of year	<u>\$804,688</u>

See accountant's notes

# VIOLENCE POLICY CENTER

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

### NOTE 1

## GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General information

Violence Policy Center (VPC), is a tax exempt corporation organized under the laws of the District of Columbia in 1988. VPC works to reduce firearms violence in America by approaching firearms violence as a public health issue while illustrating the need to regulate firearms as inherently dangerous consumer products.

### Summary of significant accounting policies

#### *Basis of accounting*

VPC's financial statements are prepared using the accrual basis of accounting.

#### *Cash and cash equivalents*

Cash on hand, deposits in banks, and highly liquid investments with original maturities of three months or less are considered cash and cash equivalents for purposes of these financial statements.

#### *Property and equipment*

Property and equipment are recorded at cost. Depreciation is recognized over the related assets' estimated useful lives, using the straight-line method. Repairs and maintenance are charged to expense as incurred.

#### *Unrestricted net assets*

Unrestricted net assets consist of amounts which are currently available to support VPC's daily operations.

#### *Temporarily restricted net assets*

VPC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a 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.

**VIOLENCE POLICY CENTER**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

*Revenue recognition*

Revenue is recognized during the period in which it is earned. Contributions are recognized in accordance with the provisions of Financial Accounting Standards Board Statement No. 116.

*Expenses*

Expenses are recognized by VPC during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

*Functional allocation of expenses*

The costs of VPC's various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, supporting general and administrative costs have been allocated among the programs and supporting services benefited.

*Subsequent events*

Subsequent events have been considered through September 28, 2018.

*Pervasiveness of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Income tax status*

VPC is exempt from federal income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the District of Columbia. VPC had no unrelated business income during the year ended December 31, 2017.

**VIOLENCE POLICY CENTER**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**NOTE 2**

**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2017 consist of the unspent portion of temporarily restricted contributions received by VPC during the year. Temporarily restricted net assets at December 31, 2017 totaled \$270,000.

**NOTE 3**

**PENSION PLAN**

VPC has a defined benefit retirement plan for its employees. Employee benefits are primarily based on length of service and compensation. Under this plan, VPC makes monthly contributions to an insurance company in an amount equal to 6% of the employee's wages. For the year ended December 31, 2017 pension expense was \$24,703.

**NOTE 4**

**MAJOR SOURCES OF FUNDING**

VPC receives a substantial portion of its revenues from grants from various foundations as well as individual donors.

