

VIOLENCE POLICY CENTER
FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS
FOR THE YEAR ENDED DECEMBER 31, 2016

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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, 2016 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, 2016, 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
October 11, 2017

VIOLENCE POLICY CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

Current assets

Cash and cash equivalents	\$664,252
Prepaid expenses	15,538
Accounts receivable	-
Security deposit	<u>10,715</u>

Total current assets 690,505

Non current assets

Furniture and equipment	165,019
less: accumulated depreciation	<u>(165,019)</u>

Total non current assets -

Total assets \$690,505

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 2,476
Deferred grants	<u>257,000</u>

Total current liabilities 259,476

Net assets

Unrestricted	431,029
Temporarily restricted	<u>-</u>

Total net assets 431,029

Total liabilities and net assets \$690,505

- SEE ACCOUNTANT'S NOTES -

VIOLENCE POLICY CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Contributions and grants	\$212,966	\$ 618,000	\$830,966
Interest	2,072		2,072
Net assets released from restrictions	<u>618,000</u>	<u>(618,000)</u>	<u>-</u>
Total revenue and support	<u>833,038</u>	<u>-</u>	<u>833,038</u>
Expenses			
Program services	693,999	-	693,999
Management and general	79,211	-	79,211
Outreach and development	<u>21,388</u>	<u>-</u>	<u>21,388</u>
Total expenses	<u>794,598</u>	<u>-</u>	<u>794,598</u>
Change in net assets	38,440	-	38,440
Net assets at beginning of year	<u>392,589</u>	<u>-</u>	<u>392,589</u>
Net assets at end of year	<u>\$431,029</u>	<u>\$ -</u>	<u>\$431,029</u>

- SEE ACCOUNTANT'S NOTES -

VIOLENCE POLICY CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

Cash flows from operating activities	
Change in net assets	\$ 38,440
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	-
Increase in prepaid expenses	(604)
Increase in deferred grants	257,000
Decrease in accounts payable	<u>(3,762)</u>
Total adjustments	<u>252,634</u>
Net cash provided by operating activities	<u>291,074</u>
Cash flows from investing activities	
Purchase of furniture and equipment	<u>-</u>
Net increase in cash and cash equivalents	291,074
Cash and cash equivalents, beginning of year	<u>373,178</u>
Cash and cash equivalents, end of year	<u>\$664,252</u>

- SEE ACCOUNTANT'S NOTES -

VIOLENCE POLICY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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.

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.

VIOLENCE POLICY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 benefitted.

Subsequent events

Subsequent events have been considered through October 11, 2017.

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, 2016.

Note 2. - Temporarily restricted net assets

Temporarily restricted net assets at December 31, 2016 consist of the unspent portion of temporarily restricted contributions received by VPC during the year. There were no temporarily restricted net assets at December 31, 2016.

VIOLENCE POLICY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016 pension expense was \$21,548.

Note 4. - Major sources of funding

VPC receives a substantial portion of its revenues from grants from various foundations.