

**National Coalition to Abolish the Death Penalty**

Financial Statements  
and Independent Auditors' Report

December 31, 2015 and 2014

**National Coalition to Abolish the Death Penalty**

Financial Statements  
December 31, 2015 and 2014

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
National Coalition to Abolish the Death Penalty

We have audited the accompanying financial statements of the National Coalition to Abolish the Death Penalty (NCADP), which comprise the statements of financial position as of December 31, 2015 and 2014, the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 NCADP as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 14-15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Vienna, Virginia  
May 12, 2016

## National Coalition to Abolish the Death Penalty

### Statements of Financial Position December 31, 2015 and 2014

	2015	2014
<b>Assets</b>		
Cash	\$ 138,570	\$ 105,948
Grants and contributions receivable	11,491	393,040
Prepaid expenses	2,888	6,575
Property and equipment, net	15,181	42,841
Deposits	6,376	9,701
Total assets	<u>\$ 174,506</u>	<u>\$ 558,105</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 17,457	\$ 62,268
Accrued expenses	21,812	11,704
Deferred rent	13,946	17,089
Line of credit	225	50
Total liabilities	<u>53,440</u>	<u>91,111</u>
<b>Net Assets</b>		
Unrestricted	121,066	113,449
Temporarily restricted	-	353,545
Total net assets	<u>121,066</u>	<u>466,994</u>
Total liabilities and net assets	<u>\$ 174,506</u>	<u>\$ 558,105</u>

## National Coalition to Abolish the Death Penalty

### Statement of Activities For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue and Support</b>			
Grants and contributions	\$ 447,501	\$ -	\$ 447,501
In-kind contributions	96,390	-	96,390
Affiliate dues	4,259	-	4,259
Rental income	5,250	-	5,250
Interest and dividend income	167	-	167
Other income	11,355	-	11,355
Released from restrictions	353,545	(353,545)	-
	<u>918,467</u>	<u>(353,545)</u>	<u>564,922</u>
<b>Expenses</b>			
Program services:			
Case consultation	36,307	-	36,307
Coalition partner outreach	87,122	-	87,122
Public education and awareness	192,348	-	192,348
Social media campaign	110,960	-	110,960
State technical assistance	66,252	-	66,252
	<u>492,989</u>	<u>-</u>	<u>492,989</u>
Supporting services:			
Management and general	250,443	-	250,443
Fundraising	167,418	-	167,418
	<u>417,861</u>	<u>-</u>	<u>417,861</u>
Total expenses	<u>910,850</u>	<u>-</u>	<u>910,850</u>
<b>Changes in Net Assets</b>	7,617	(353,545)	(345,928)
<b>Net Assets, beginning of year</b>	<u>113,449</u>	<u>353,545</u>	<u>466,994</u>
<b>Net Assets, end of year</b>	<u>\$ 121,066</u>	<u>\$ -</u>	<u>\$ 121,066</u>

See accompanying notes.

## National Coalition to Abolish the Death Penalty

### Statement of Activities For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 650,759	\$ 97,500	\$ 748,259
In-kind contributions	82,981	-	82,981
Affiliate dues	17,235	-	17,235
Interest and dividend income	45	-	45
Other income	8,380	-	8,380
Released from restrictions	379,328	(379,328)	-
<b>Total revenue and support</b>	<b>1,138,728</b>	<b>(281,828)</b>	<b>856,900</b>
<b>Expenses</b>			
Program services:			
Case consultation	48,482	-	48,482
Coalition partner outreach	44,426	-	44,426
Public education and awareness	383,711	-	383,711
Social media campaign	92,532	-	92,532
State technical assistance	91,503	-	91,503
<b>Total program services</b>	<b>660,654</b>	<b>-</b>	<b>660,654</b>
Supporting services:			
Management and general	264,630	-	264,630
Fundraising	288,915	-	288,915
<b>Total supporting services</b>	<b>553,545</b>	<b>-</b>	<b>553,545</b>
<b>Total expenses</b>	<b>1,214,199</b>	<b>-</b>	<b>1,214,199</b>
<b>Changes in Net Assets</b>	<b>(75,471)</b>	<b>(281,828)</b>	<b>(357,299)</b>
<b>Net Assets, beginning of year</b>	<b>188,920</b>	<b>635,373</b>	<b>824,293</b>
<b>Net Assets, end of year</b>	<b>\$ 113,449</b>	<b>\$ 353,545</b>	<b>\$ 466,994</b>

See accompanying notes.

## National Coalition to Abolish the Death Penalty

### Statements of Cash Flows For the Years Ended December 31, 2015 and 2014

	2015	2014
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (345,928)	\$ (357,299)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,690	3,906
Amortization	23,970	23,971
Change in operating assets and liabilities:		
(Increase) decrease in:		
Grants and contributions receivable	381,549	267,907
Prepaid expenses	3,687	(4,003)
Deposits	3,325	-
Increase (decrease) in:		
Accounts payable	(44,811)	6,060
Accrued expenses	10,108	(327)
Deferred rent	(3,143)	(1,283)
	32,447	(61,068)
<b>Cash Flows from Investing Activity</b>		
Purchases of property and equipment	-	(603)
	-	(603)
Net cash used in investing activity	-	(603)
<b>Cash Flows from Financing Activity</b>		
Proceeds from line of credit	175	50
	175	50
Net cash provided by financing activity	175	50
<b>Net Increase (Decrease) in Cash</b>	32,622	(61,621)
<b>Cash, beginning of year</b>	105,948	167,569
<b>Cash, end of year</b>	\$ 138,570	\$ 105,948

*See accompanying notes.*



# National Coalition to Abolish the Death Penalty

Notes to Financial Statements  
December 31, 2015 and 2014

## 1. Nature of Operations

The National Coalition to Abolish the Death Penalty (NCADP) was incorporated in the Commonwealth of Pennsylvania on May 23, 1984. It is a not-for-profit, 501(c)(3) organization that promotes public education on the subject of capital punishment and related subjects. NCADP maintains an organization composed of groups opposed to the imposition of the death penalty, provides a mechanism to disseminate information, and provides educational opportunities to the community concerning the effect of the imposition of the death penalty.

NCADP enables over a hundred affiliated organizations and thousands of individual volunteers to be effective, compelling advocates for abolishing the death penalty. NCADP's activities are primarily funded by grants and contributions.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting and Presentation

NCADP's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

### Classification of Net Assets

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of NCADP's operations.
- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of NCADP or through the passage of time. There was \$0 and \$353,545 in temporarily restricted net assets at December 31, 2015 and 2014, respectively.

### Grants and Contributions Receivable

Grants and contributions receivable are all due within one year and are recorded at net realizable value. Management estimates that all receivables are fully collectible. Therefore, no allowance for doubtful accounts has been recognized.

## National Coalition to Abolish the Death Penalty

Notes to Financial Statements  
December 31, 2015 and 2014

### 2. Summary of Significant Accounting Policies (continued)

#### Property and Equipment

Property and equipment with a projected useful life exceeding one year and original cost exceeding \$1,000 are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives ranging between three and five years. Leasehold improvements are amortized over the shorter of the estimated life or term of the lease. Repair and maintenance costs are expensed as incurred.

#### Revenue Recognition

Grants and contributions are recorded as revenue when received or promised. NCADP reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to one of NCADP's programs or to a future year.

When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

NCADP will receive communications indicating that it has been named as a beneficiary in an individual's will. These promises to give are recognized at the time the probate court declares the will valid, or earlier if management reasonably expects the funds to be collected, and the proceeds are reasonably measurable. It is NCADP's practice to record these receivables at net realizable value.

NCADP offers memberships to qualifying organizations, which are based on a dues structure approved by the Board of Directors. The dues are recognized as revenue over the membership period, which is on a calendar year basis. Amounts paid by members in excess of the membership fee are treated as contributions and recognized in the period received.

Revenue from all other sources is recognized when earned.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

## **National Coalition to Abolish the Death Penalty**

Notes to Financial Statements  
December 31, 2015 and 2014

### **2. Summary of Significant Accounting Policies (continued)**

#### 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 presentation. These reclassifications have no effect on the change in net assets previously reported.

#### Subsequent Events

In preparing these financial statements, NCADP has evaluated events and transactions for potential recognition or disclosure through May 12, 2016, the date the financial statements were available to be issued.

### **3. Concentration of Credit Risk**

Financial instruments that potentially subject NCADP to significant concentrations of credit risk consist of cash. NCADP maintains interest-bearing cash deposits with a financial institution that may, from time to time, exceed insurable limits under the Federal Depository Insurance Corporation (FDIC). NCADP has not experienced any credit losses on its cash to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal, and all accounts were within insurable limits at December 31, 2015 and 2014.

### **4. Grants and Contributions Receivable**

Grants receivable are recorded at the net realizable value of expected future cash flows. Grants receivable totaled \$0 and \$342,500 at December 31, 2015 and 2014, respectively. Contributions receivable of \$11,491 and \$50,540 at December 31, 2015 and 2014, respectively, represent bequests and other receivables.

## National Coalition to Abolish the Death Penalty

Notes to Financial Statements  
December 31, 2015 and 2014

### 5. Property and Equipment

NCADP held the following property and equipment at December 31:

	2015	2014
Furniture and equipment	\$ 77,501	\$ 77,501
Website development	70,875	70,875
Leasehold improvements	1,730	1,730
Total property and equipment	150,106	150,106
Less: accumulated depreciation and amortization	(134,925)	(107,265)
Property and equipment, net	<u>\$ 15,181</u>	<u>\$ 42,841</u>

### 6. Debt

#### Line of Credit

NCADP maintains a line of credit, which is used to finance short-term working capital needs. The maximum credit under the line is \$10,000, and any excess draws are required to be paid immediately. Interest is computed monthly at prime + 5% (8.25% at both December 31, 2015 and 2014). Outstanding borrowings on this line of credit totaled \$225 and \$50 at December 31, 2015 and 2014, respectively.

### 7. Temporarily Restricted Net Assets

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by NCADP. These net assets are then released and reclassified to unrestricted support where they are expended.

Temporarily restricted net assets were comprised of the following at December 31:

	2015	2014
Time restricted	\$ -	\$ 312,500
Mental health training project	-	31,730
Herb Block	-	9,315
Total temporarily restricted net assets	<u>\$ -</u>	<u>\$ 353,545</u>

## National Coalition to Abolish the Death Penalty

Notes to Financial Statements  
December 31, 2015 and 2014

### 8. Contributed Services

Donated services that meet the criteria for recognition under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, are reflected as in-kind contributions and expenses in the accompanying statements of activities.

The amounts recognized were \$96,390 and \$82,981 for the years ended December 31, 2015 and 2014, respectively. These amounts relate to accounting, legal, communications, and financial services, and are recorded at fair value using applicable billing rates.

### 9. Commitments and Contingencies

#### Operating Leases

NCADP entered into a 60-month office lease commencing April 1, 2013 and expiring March 31, 2018. The lease requires NCADP to pay its proportionate share of real estate taxes and other operating expenses. The lease contains incentives and scheduled rent increases, which have been recorded as deferred rent in the accompanying financial statements. In addition to the office in Washington, DC, NCADP made rent payments for additional office space in Texas under monthly lease agreements.

During 2015, NCADP began subleasing a portion of its office space in Washington, DC to a subtenant. The sublease commenced on November 16, 2015 and expires on March 31, 2018, and requires fixed monthly payments of \$3,500. Total rental income for the year ended December 31, 2015 was \$5,250, and is included in the accompanying statement of activities.

NCADP leases office equipment under an operating lease, which extends through 2018. Total rent expense under all operating leases for the years ended December 31, 2015 and 2014 was \$73,589 and \$84,835, respectively.

## National Coalition to Abolish the Death Penalty

Notes to Financial Statements  
December 31, 2015 and 2014

### 9. Commitments and Contingencies (continued)

#### Operating Leases (continued)

Future minimum payments under all lease agreements in effect at year end are as follows for the years ending December 31:

	<u>Lease Payments</u>	<u>Sublease Receipts</u>	<u>Net</u>
2016	\$ 83,380	\$ (42,000)	\$ 41,380
2017	85,349	(42,000)	43,349
2018	24,394	(10,500)	13,894
Total	<u>\$ 193,123</u>	<u>\$ (94,500)</u>	<u>\$ 98,623</u>

#### Hotel Contracts

NCADP holds conferences and meetings at various hotels and conference centers throughout the United States. These events are contracted with the hotels and conference centers years in advance. In the event that NCADP cancels its agreements with the hotels or conference centers, it can be held liable for liquidated damages up to the amount of lost profit less the hotels' and conference centers' mitigations, depending upon the date of cancellation.

### 10. Grant from Atlantic Philanthropies

NCADP received a grant from Atlantic Philanthropies totaling \$900,000 during 2013. This grant is time restricted in nature and is included as temporarily restricted grants and contributions revenue in the accompanying statements of activities. In addition, this grant contained a conditional element whereas NCADP is eligible for up to an additional \$400,000 of funding through November 2015 if NCADP raises a 1:1 match of funds from new donors. This element of the grant represents a condition and is only recognized as contribution revenue when the match has been met. NCADP raised \$145,000 of the eligible \$175,000 for the year ended December 31, 2015. NCADP raised \$175,000 of the eligible \$175,000 for the year ended December 31, 2014. These amounts are included in grants and contributions revenue in the accompanying statements of activities. The grant ended during 2015; however, Atlantic Philanthropies allowed for the match opportunity to continue through March 2016 for the remaining \$30,460, which NCADP successfully met and received subsequent to year-end.

## **National Coalition to Abolish the Death Penalty**

Notes to Financial Statements  
December 31, 2015 and 2014

### **11. Income Taxes**

NCADP is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from income taxes except for taxes on unrelated business activities. No tax expenses have been recorded for the years ended December 31, 2015 and 2014, as there were no unrelated business activities. Contributions to NCADP are deductible as provided in IRC Section 170(b)(1)(A)(vi). NCADP had no significant uncertain tax positions for the years ended December 31, 2015 and 2014.

### **12. Results of Operations**

NCADP has experienced two consecutive years of net deficits. While total net assets remained positive at December 31, 2015, continued losses could potentially have a significant effect on NCADP's programs and operations. Management is implementing strategies to restructure operations to stabilize reserves, reduce expenditures, expand funding streams, and seek broader contribution sources. NCADP expects to rebuild its reserves in future years. The financial statements do not include any adjustments that may be necessary if NCADP is unable to continue as a going concern.

**SUPPLEMENTARY INFORMATION**

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**National Coalition to Abolish the Death Penalty**

Schedule of Functional Expenses  
For the Year Ended December 31, 2015

	Program Services						Management and General	Fundraising	Total
	Case Consultation	Coalition Partner Outreach	Public Education and Awareness	Social Media Campaign	State Technical Assistance	Total Program Services			
Salaries	\$ 8,274	\$ 19,306	\$ 71,706	\$ 52,401	\$ 13,790	\$ 165,477	\$ 42,349	\$ 66,190	\$ 274,016
Professional fees	5,855	48,244	44,447	14,070	38,647	151,263	61,993	26,241	239,497
Occupancy	2,505	5,265	21,657	14,809	3,963	48,199	5,006	16,558	69,763
Employee benefits	1,739	4,056	15,064	11,008	2,897	34,764	8,941	11,275	54,980
Payroll taxes	730	1,704	6,331	4,626	1,217	14,608	3,896	5,844	24,348
Travel and transportation	15,040	39	7,732	251	1,567	24,629	3,106	2,263	29,998
Conference and meetings	-	-	-	-	-	-	-	2,500	2,500
Equipment and maintenance	407	4,433	5,863	3,014	1,205	14,922	5,922	10,642	31,486
Printing and publications	-	175	240	-	-	415	2,893	8,088	11,396
In-kind services	-	-	-	-	-	-	96,390	-	96,390
Insurance	332	696	2,867	1,958	524	6,377	1,520	2,184	10,081
Depreciation	111	258	960	701	185	2,215	590	885	3,690
Telephone	594	1,256	5,138	3,527	943	11,458	2,754	3,971	18,183
Postage and delivery	-	9	26	-	114	149	2,050	2,896	5,095
Miscellaneous	-	-	23	16	-	39	1,807	-	1,846
Office supplies	1	3	12	8	2	26	934	184	1,144
Bank charges and fees	-	-	-	-	-	-	4,233	1,944	6,177
Staff development	-	-	50	-	-	50	905	-	955
Dues and subscriptions	-	-	1,500	16	-	1,516	869	-	2,385
Contributions	-	-	2,500	-	-	2,500	450	-	2,950
Amortization	719	1,678	6,232	4,555	1,198	14,382	3,835	5,753	23,970
<b>Total Expenses</b>	<b>\$ 36,307</b>	<b>\$ 87,122</b>	<b>\$ 192,348</b>	<b>\$ 110,960</b>	<b>\$ 66,252</b>	<b>\$ 492,989</b>	<b>\$ 250,443</b>	<b>\$ 167,418</b>	<b>\$ 910,850</b>

**National Coalition to Abolish the Death Penalty**

Schedule of Functional Expenses  
For the Year Ended December 31, 2014

	Program Services						Management and General	Fundraising	Total
	Case Consultation	Coalition Partner Outreach	Public Education and Awareness	Social Media Campaign	State Technical Assistance	Total Program Services			
Salaries	\$ 159	\$ 7,733	\$ 124,208	\$ 11,605	\$ 9,713	\$ 153,418	\$ 96,836	\$ 80,519	\$ 330,773
Professional fees	21,093	18,020	53,623	40,771	44,009	177,516	132,580	68,608	378,704
Occupancy	-	-	4,005	-	445	4,450	85,338	-	89,788
Employee benefits	80	4,357	45,254	6,229	4,325	60,245	4,635	32,092	96,972
Payroll taxes	-	-	-	-	-	-	32,827	215	33,042
Travel and transportation	13,535	271	7,821	271	2,882	24,780	1,532	3,324	29,636
Conference and meetings	-	-	1,195	-	-	1,195	64	2,410	3,669
Equipment and maintenance	-	999	1,582	999	4,156	7,736	22,294	-	30,030
Printing and publications	-	737	941	736	13	2,427	490	18,758	21,675
In-kind services	-	-	-	-	-	-	82,981	-	82,981
Depreciation	-	-	-	-	-	-	3,906	-	3,906
Telephone	-	-	4,816	-	-	4,816	14,265	-	19,081
Postage and delivery	-	-	39	-	-	39	2,607	4,052	6,698
Miscellaneous	-	-	38,493	9,522	-	48,015	80	79	48,174
Office supplies	-	85	28	85	-	198	2,295	174	2,667
Bank charges and fees	-	-	144	-	-	144	6,998	284	7,426
Staff development	-	-	628	-	-	628	78	-	706
Dues and subscriptions	-	-	1,000	-	-	1,000	2,100	-	3,100
Contributions	-	125	150	125	-	400	800	-	1,200
Amortization	-	-	-	-	-	-	23,971	-	23,971
Allocated G&A	13,615	12,099	99,784	22,189	25,960	173,647	(252,047)	78,400	-
<b>Total Expenses</b>	<b>\$ 48,482</b>	<b>\$ 44,426</b>	<b>\$ 383,711</b>	<b>\$ 92,532</b>	<b>\$ 91,503</b>	<b>\$ 660,654</b>	<b>\$ 264,630</b>	<b>\$ 288,915</b>	<b>\$ 1,214,199</b>