

National Coalition to Abolish the Death Penalty

Financial Statements
and Independent Auditors' Report

December 31, 2014 and 2013

National Coalition to Abolish the Death Penalty

Financial Statements
December 31, 2014 and 2013

Contents

Independent Auditors' Report.....	1-2
<i>Financial Statements</i>	
Statements of Financial Position.....	3
Statements of Activities	4-5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-13
<i>Supplementary Information</i>	
Schedules of Functional Expenses.....	14-15

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, 2014 and 2013, 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, 2014 and 2013, 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
July 21, 2015

National Coalition to Abolish the Death Penalty

Statements of Financial Position December 31, 2014 and 2013

	2014	2013
Assets		
Cash	\$ 105,948	\$ 167,569
Grants and contributions receivable	393,040	660,947
Prepaid expenses	6,575	2,572
Property and equipment, net	42,841	70,115
Deposits	9,701	9,701
Total assets	<u>\$ 558,105</u>	<u>\$ 910,904</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 62,268	\$ 56,208
Accrued expenses	11,704	12,031
Deferred rent	17,089	18,372
Line of credit	50	-
Total liabilities	<u>91,111</u>	<u>86,611</u>
Net Assets		
Unrestricted	113,449	188,920
Temporarily restricted	353,545	635,373
Total net assets	<u>466,994</u>	<u>824,293</u>
Total liabilities and net assets	<u>\$ 558,105</u>	<u>\$ 910,904</u>

National Coalition to Abolish the Death Penalty

Statement of Activities For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
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)	-
Total revenue and support	<u>1,138,728</u>	<u>(281,828)</u>	<u>856,900</u>
Expenses			
Program services:			
General programs	352,714	-	352,714
UK grant	50,768	-	50,768
Affiliate support	91,503	-	91,503
German embassy	10,144	-	10,144
Wallace global fund	68,480	-	68,480
Herb Block	952	-	952
Social media campaign	6,572	-	6,572
90 Million Strong Campaign	10,185	-	10,185
Dutch grant	48,482	-	48,482
Strategy meeting	20,853	-	20,853
Total program services	<u>660,653</u>	<u>-</u>	<u>660,653</u>
Supporting services:			
Management and general	264,630	-	264,630
Fundraising	288,916	-	288,916
Total supporting services	<u>553,546</u>	<u>-</u>	<u>553,546</u>
Total expenses	<u>1,214,199</u>	<u>-</u>	<u>1,214,199</u>
Changes in Net Assets	(75,471)	(281,828)	(357,299)
Net Assets, beginning of year	<u>188,920</u>	<u>635,373</u>	<u>824,293</u>
Net Assets, end of year	<u>\$ 113,449</u>	<u>\$ 353,545</u>	<u>\$ 466,994</u>

See accompanying notes.

National Coalition to Abolish the Death Penalty

Statement of Activities For the Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Grants and contributions	\$ 401,824	\$ 1,015,970	\$ 1,417,794
In-kind contributions	97,260	-	97,260
Affiliate dues	11,285	-	11,285
Rental income	3,486	-	3,486
Other income	25,617	-	25,617
Released from restrictions	721,262	(721,262)	-
Total revenue and support	<u>1,260,734</u>	<u>294,708</u>	<u>1,555,442</u>
Expenses			
Program services:			
General programs	342,656	-	342,656
UK grant	144,174	-	144,174
Affiliate support	120,281	-	120,281
German embassy	78,237	-	78,237
Rachel's fund	51,102	-	51,102
Dutch grant	32,179	-	32,179
Strategy meeting	16,420	-	16,420
Total program services	<u>785,049</u>	<u>-</u>	<u>785,049</u>
Supporting services:			
Management and general	145,500	-	145,500
Fundraising	296,650	-	296,650
Total supporting services	<u>442,150</u>	<u>-</u>	<u>442,150</u>
Total expenses	<u>1,227,199</u>	<u>-</u>	<u>1,227,199</u>
Changes in Net Assets	33,535	294,708	328,243
Net Assets, beginning of year	<u>155,385</u>	<u>340,665</u>	<u>496,050</u>
Net Assets, end of year	<u><u>\$ 188,920</u></u>	<u><u>\$ 635,373</u></u>	<u><u>\$ 824,293</u></u>

See accompanying notes.

National Coalition to Abolish the Death Penalty

Statements of Cash Flows For the Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Change in net assets	\$ (357,299)	\$ 328,243
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	3,906	3,511
Amortization	23,971	12,072
Change in operating assets and liabilities:		
(Increase) decrease in:		
Grants and contributions receivable	267,907	(236,851)
Prepaid expenses	(4,003)	7,667
Deposits	-	2,029
Increase (decrease) in:		
Accounts payable	6,060	12,833
Accrued expenses	(327)	(38,963)
Deferred rent	(1,283)	17,210
	(61,068)	107,751
Net cash (used in) provided by operating activities		
Cash Flows from Investing Activity		
Purchases of property and equipment	(603)	(4,106)
	(603)	(4,106)
Net cash used in investing activity		
Cash Flows from Financing Activity		
Proceeds from line of credit	50	-
	50	-
Net cash provided by financing activity		
Net (Decrease) Increase in Cash	(61,621)	103,645
Cash, beginning of year	167,569	63,924
Cash, end of year	\$ 105,948	\$ 167,569

See accompanying notes.

National Coalition to Abolish the Death Penalty

Notes to Financial Statements
December 31, 2014 and 2013

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 \$353,545 and \$635,373 in temporarily restricted net assets at December 31, 2014 and 2013, 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, 2014 and 2013

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.

National Coalition to Abolish the Death Penalty

Notes to Financial Statements
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

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.

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.

Subsequent Events

In preparing these financial statements, NCADP has evaluated events and transactions for potential recognition or disclosure through July 21, 2015, 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, 2014 and 2013.

4. Grants and Contributions Receivable

Grants receivable are recorded at the net realizable value of expected future cash flows. The grants receivable totaled \$342,500 and \$609,012 for the years ended December 31, 2014 and 2013, respectively. Contributions receivable of \$50,540 and \$51,935 at December 31, 2014 and 2013, respectively, represent bequests and other receivables.

National Coalition to Abolish the Death Penalty

Notes to Financial Statements
December 31, 2014 and 2013

5. Property and Equipment

NCADP held the following property and equipment at December 31:

	<u>2014</u>	<u>2013</u>
Furniture and equipment	\$ 77,501	\$ 76,898
Website development	70,875	70,875
Leasehold improvements	<u>1,730</u>	<u>1,730</u>
Total property and equipment	150,106	149,503
Less: accumulated depreciation and amortization	<u>(107,265)</u>	<u>(79,388)</u>
Property and equipment, net	<u><u>\$ 42,841</u></u>	<u><u>\$ 70,115</u></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, 2014 and 2013). Outstanding borrowings on this line of credit totaled \$50 at December 31, 2014. There were no outstanding borrowings against the line of credit at December 31, 2013.

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.

National Coalition to Abolish the Death Penalty

Notes to Financial Statements
December 31, 2014 and 2013

7. Temporarily Restricted Net Assets (continued)

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

	2014	2013
Time restricted	\$ 312,500	\$ 500,000
Mental health training project	31,730	70,140
Herb Block	9,315	-
90 Million Strong Campaign	-	50,000
Strategy meeting	-	15,233
Total temporarily restricted net assets	<u>\$ 353,545</u>	<u>\$ 635,373</u>

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 \$82,981 and \$97,260 for the years ended December 31, 2014 and 2013, respectively. These amounts relate to accounting, legal, communications, and financial services, and are recorded at fair value using applicable billing rates.

9. Lease Commitments

In 2012, NCADP amended its existing office lease in Washington, DC by extending it for one year. Upon expiration, NCADP relocated its headquarters and entered into a 60 month office lease commencing April 1, 2013 and expiring March 31, 2018. The new 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.

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, 2014 and 2013 was \$84,835 and \$107,298, respectively.

National Coalition to Abolish the Death Penalty

Notes to Financial Statements
December 31, 2014 and 2013

9. Lease Commitments (continued)

During 2013, NCADP subleased a portion of its old office space in Washington, DC. Total rent income for the year ended December 31, 2013 was \$3,486. There are no subleases associated with the new space.

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

2015	\$	81,474
2016		83,380
2017		85,349
2018		<u>24,395</u>
Total	\$	<u>274,598</u>

10. Commitments and Contingencies

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.

11. Grant from Atlantic Philanthropies

During 2011, NCADP received a grant from Atlantic Philanthropies totaling \$750,000, and during 2013, NCADP received another grant totaling \$900,000. These grants are time restricted in nature and are included as temporarily restricted grants and contributions revenue in the accompanying statements of activities. In addition, these grants 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 \$50,000 of the eligible \$50,000 for the year ended December 31, 2013. 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.

National Coalition to Abolish the Death Penalty

Notes to Financial Statements
December 31, 2014 and 2013

12. 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, 2014 and 2013, 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, 2014 and 2013.

SUPPLEMENTARY INFORMATION

National Coalition to Abolish the Death Penalty

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

	General Programs	UK Grant	Affiliate Support	German Embassy	Wallace Global Fund	Herb Block	Social Media Campaign	90 Million Strong Campaign	Dutch Grant	Strategy Meeting	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 124,198	\$ 5,113	\$ 9,713	\$ 10	\$ 5,808	\$ 466	\$ 3,122	\$ 4,829	\$ 159	\$ -	\$ 153,418	\$ 96,836	\$ 80,519	\$ 330,773
Professional fees	38,623	22,751	44,009	-	36,040	-	-	-	21,093	15,000	177,516	132,580	68,608	378,704
Building and occupancy	4,005	-	445	-	-	-	-	-	-	-	4,450	85,338	-	89,788
Employee benefits	45,248	2,545	4,325	6	3,720	219	1,605	2,497	80	-	60,245	4,635	32,092	96,972
Travel	7,821	-	2,882	-	542	-	-	-	13,535	-	24,780	1,532	3,324	29,636
Conference and meetings	1,195	-	-	-	-	-	-	-	-	-	1,195	64	2,410	3,669
Equipment and maintenance	1,582	-	4,156	-	1,998	-	-	-	-	-	7,736	22,294	-	30,030
Payroll taxes	-	-	-	-	-	-	-	-	-	-	-	32,827	215	33,042
Printing and publications	941	-	13	-	1,473	-	-	-	-	-	2,427	490	18,758	21,675
In-kind	-	-	-	-	-	-	-	-	-	-	-	82,981	-	82,981
Depreciation	-	-	-	-	-	-	-	-	-	-	-	3,906	-	3,906
Telephone	4,816	-	-	-	-	-	-	-	-	-	4,816	14,265	-	19,081
Postage and shipping	39	-	-	-	-	-	-	-	-	-	39	2,607	4,052	6,698
Miscellaneous	12	-	-	-	-	-	-	-	-	-	12	-	79	91
Office supplies	28	-	-	-	170	-	-	-	-	-	198	2,295	174	2,667
Bank charges and fees	144	-	-	-	-	-	-	-	-	-	144	6,998	284	7,426
Staff development	628	-	-	-	-	-	-	-	-	-	628	78	-	706
Bad debt expense	-	-	-	7,281	-	-	-	-	-	-	7,281	-	-	7,281
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	660	-	660
Membership fees	1,000	-	-	-	-	-	-	-	-	-	1,000	1,440	-	2,440
Contributions	150	-	-	-	250	-	-	-	-	-	400	800	-	1,200
Advertisement	-	9,522	-	-	-	-	-	-	-	-	9,522	-	-	9,522
Recruitment	-	-	-	-	-	-	-	-	-	-	-	80	-	80
Affiliate support	31,200	-	-	-	-	-	-	-	-	-	31,200	-	-	31,200
Amortization	-	-	-	-	-	-	-	-	-	-	-	23,971	-	23,971
Allocated G&A	91,084	10,837	25,960	2,847	18,479	267	1,845	2,859	13,615	5,853	173,646	(252,047)	78,401	-
Total Expenses	\$ 352,714	\$ 50,768	\$ 91,503	\$ 10,144	\$ 68,480	\$ 952	\$ 6,572	\$ 10,185	\$ 48,482	\$ 20,853	\$ 660,653	\$ 264,630	\$ 288,916	\$ 1,214,199

National Coalition to Abolish the Death Penalty

Schedule of Functional Expenses
For the Year Ended December 31, 2013

	General Programs	UK Grant	Affiliate Support	German Embassy	Rachel's Fund	Dutch Grant	Strategy Meeting	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 131,899	\$ 43,689	\$ 41,745	\$ -	\$ 18,761	\$ 11,744	\$ 982	\$ 248,820	\$ 79,461	\$ 56,738	\$ 385,019
Professional fees	28,126	38,152	12,715	54,967	9,000	5,886	-	148,846	102,072	96,065	346,983
Building and occupancy	4,005	-	2,220	-	-	-	-	6,225	96,873	-	103,098
Employee benefits	35,504	13,782	11,299	-	5,869	3,322	261	70,037	16,715	15,325	102,077
Travel	19,040	-	7,239	-	50	454	55	26,838	3,896	386	31,120
Conference and meetings	6,595	-	-	-	-	-	10,142	16,737	1,677	-	18,414
Equipment and maintenance	-	675	1,350	-	-	-	-	2,025	16,503	1,695	20,223
Payroll taxes	12,841	4,985	4,087	-	2,123	1,202	95	25,333	6,046	5,544	36,923
Printing and publications	53	11	11	-	-	-	-	75	2,189	23,943	26,207
In-kind	117	-	-	-	-	-	-	117	97,143	-	97,260
Depreciation	-	-	-	-	-	-	-	-	3,511	-	3,511
Telephone	1,383	-	2,259	-	-	-	-	3,642	15,880	-	19,522
Postage and shipping	152	-	66	-	-	-	-	218	1,984	7,781	9,983
Miscellaneous	-	-	15	-	-	-	-	15	246	200	461
Office supplies	393	-	-	-	-	-	-	393	2,399	18	2,810
Bank charges and fees	112	-	-	-	-	-	-	112	3,840	-	3,952
Staff development	1,176	-	-	-	-	-	-	1,176	43	348	1,567
Interest expense	-	-	-	-	-	-	-	-	177	-	177
Membership fees	85	-	-	-	99	-	-	184	1,250	-	1,434
Contributions	1,151	-	250	-	-	-	-	1,401	325	375	2,101
Recruitment	70	-	-	-	-	-	-	70	965	-	1,035
Affiliate support	-	-	1,250	-	-	-	-	1,250	-	-	1,250
Amortization	-	-	-	-	-	-	-	-	12,072	-	12,072
Allocated G&A	99,954	42,880	35,775	23,270	15,200	9,571	4,885	231,535	(319,767)	88,232	-
Total Expenses	\$ 342,656	\$ 144,174	\$ 120,281	\$ 78,237	\$ 51,102	\$ 32,179	\$ 16,420	\$ 785,049	\$ 145,500	\$ 296,650	\$ 1,227,199