

VICTIMS FIRST, INC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2022



TABLE OF CONTENTS

| | |
|---|-----|
| <i>Independent Auditors' Report</i> | 1-2 |
|---|-----|

Financial Statements

| | |
|--|------|
| <i>Statements of Financial Position</i> | 3 |
| <i>Statements of Activities</i> | 4 |
| <i>Statements of Functional Expenses</i> | 5 |
| <i>Statements of Cash Flows</i> | 6 |
| <i>Notes to the Financial Statements</i> | 7-11 |



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Victims First, Inc.

Opinion

We have audited the accompanying financial statements of Victims First, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities 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 Victims First, Inc. as of September 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Victims First, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Victims First, Inc.'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 auditor's 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 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, 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 Victims First, Inc.'s internal control. Accordingly, no such opinion is expressed.



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- 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 Victims First, Inc'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.

O&S CPAs & Business Advisors LLP

Long Beach, CA
January 10, 2023

VICTIMS FIRST, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---------------------------------------|---------------------------------------|------------------------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 30,907 | \$ 1,500 | \$ 32,407 |
| Total Current Assets | <u>30,907</u> | <u>1,500</u> | <u>32,407</u> |
| TOTAL ASSETS | <u>\$ 30,907</u> | <u>\$ 1,500</u> | <u>\$ 32,407</u> |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 125 | \$ - | \$ 125 |
| Total Current Liabilities | <u>125</u> | <u>-</u> | <u>125</u> |
| Total Liabilities | <u>125</u> | <u>-</u> | <u>125</u> |
| Net Assets | | | |
| Without Donor Restrictions | | | |
| Undesignated | 30,782 | - | 30,782 |
| | <u>30,782</u> | <u>-</u> | <u>30,782</u> |
| With Donor Restrictions | - | 1,500 | 1,500 |
| Total Net Assets | <u>30,782</u> | <u>1,500</u> | <u>32,282</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 30,907</u> | <u>\$ 1,500</u> | <u>\$ 32,407</u> |

The accompanying notes are an integral part of these financial statements.

VICTIMS FIRST, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---------------------------------------|---------------------------------------|------------------------------------|------------------|
| SUPPORT | | | |
| Contributions | \$ 469,591 | \$ 8,695,095 | \$ 9,164,686 |
| Total Support | <u>469,591</u> | <u>8,695,095</u> | <u>9,164,686</u> |
| REVENUE | | | |
| Interest income | <u>126</u> | <u>-</u> | <u>126</u> |
| Total Revenue | <u>126</u> | <u>-</u> | <u>126</u> |
| Net assets released from restrictions | <u>8,693,595</u> | <u>(8,693,595)</u> | <u>-</u> |
| TOTAL SUPPORT AND REVENUE | <u>9,163,312</u> | <u>1,500</u> | <u>9,164,812</u> |
| EXPENSES | | | |
| Program services (see page 5) | 8,898,789 | - | 8,898,789 |
| Management and general (see page 5) | <u>264,119</u> | <u>-</u> | <u>264,119</u> |
| TOTAL EXPENSES | <u>9,162,908</u> | <u>-</u> | <u>9,162,908</u> |
| CHANGE IN NET ASSETS | <u>404</u> | <u>1,500</u> | <u>1,904</u> |
| NET ASSETS, BEGINNING OF YEAR | <u>30,378</u> | <u>-</u> | <u>30,378</u> |
| NET ASSETS, END OF YEAR | <u>\$ 30,782</u> | <u>\$ 1,500</u> | <u>\$ 32,282</u> |

The accompanying notes are an integral part of these financial statements.

VICTIMS FIRST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | <u>Program Services</u> | <u>Management and General</u> | <u>Total</u> |
|------------------------|-----------------------------|-----------------------------------|---------------------|
| Advertising | \$ - | \$ 700 | \$ 700 |
| Dues and subscriptions | - | 178 | 178 |
| Information technology | - | 1,675 | 1,675 |
| Insurance | - | 740 | 740 |
| Merchant account fees | - | 244,356 | 244,356 |
| Postage | - | 165 | 165 |
| Professional fees | - | 7,036 | 7,036 |
| Supplies | - | 1,204 | 1,204 |
| Travel | - | 8,065 | 8,065 |
| Victim assistance | <u>8,898,789</u> | <u>-</u> | <u>8,898,789</u> |
| Total expenses | <u>\$ 8,898,789</u> | <u>\$ 264,119</u> | <u>\$ 9,162,908</u> |

The accompanying notes are an integral part of these financial statements.

VICTIMS FIRST, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30,2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Change in net assets | \$ 404 | \$ 1,500 | \$ 1,904 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | | |
| Increase in: | | | |
| Accounts payable | <u>125</u> | <u>-</u> | <u>125</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>529</u> | <u>1,500</u> | <u>2,029</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 529 | 1,500 | 2,029 |
| BEGINNING CASH AND CASH EQUIVALENTS | <u>30,378</u> | <u>-</u> | <u>30,378</u> |
| ENDING CASH AND CASH EQUIVALENTS | <u>\$ 30,907</u> | <u>\$ 1,500</u> | <u>\$ 32,407</u> |

The accompanying notes are an integral part of these financial statements.

VICTIMS FIRST, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

VictimsFirst, Inc. was incorporated on April 8, 2021. The purpose of VictimsFirst is to carry out charitable activities, primarily in and for the benefit of victims of mass casualty crime across the United States. VictimsFirst administers a General Victims Fund to provide direct emergency financial assistance to victims of mass casualty crime, addressing both immediate and long-term needs. VictimsFirst also works to ensure victims/survivors receive 100% of the funds collected for them, which sometimes includes initiating tragedy-specific victims funds and advocating for centralized victims funds where 100% of what is collected goes directly to victims. VictimsFirst also finds needed resources that are not otherwise provided; educates communities with our Best Practices so that they can organize in the aftermath of a mass casualty crime to serve the best interests of victims; and advocates for victims' rights and for their voices to be heard. VictimsFirst also works with local governments, victims' advocates, community members, and victims/survivors themselves to ensure victims/survivors receive the help they need. Victims First is non-political.

In fiscal year ending September 30, 2022, the Organization responded to 10 mass shootings: Atlanta, Georgia spas, Boulder, Colorado King Soopers grocery store, Indianapolis, Indiana Fed Ex facility, downtown Sacramento, California, Collierville, Tennessee Kroger grocery store, Waukesha, Wisconsin Parade, Oxford, Michigan high school, Buffalo, New York Tops' market, Uvalde, Texas elementary school and the Highland Park, Illinois Fourth of July Parade. 100% of the \$8,898,789 in donations have gone directly to victims either through their location-specific mass shooting fundraising efforts or through their General Victims' Fund for immediate needs. That included all interest received on those donations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization uses the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Description of Net Asset Classes

The net assets, revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor imposed restrictions may be designated for specific purposes by action of the Board of Directors.

With donor restrictions - Net assets subject to donor-imposed stipulations that may be maintained permanently, or be fulfilled by actions of the Organization, pursuant to those stipulations, or that expire by the passage of time. Donor-imposed restricted net assets for the years ended September 30, 2022 was \$1,500.

VICTIMS FIRST, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting for Contributions

Generally accepted accounting principles require that the Organization reports information about its financial position and activities in two classes of net assets: without donor restrictions and with donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization that is unconditional. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased.

Contributed Goods and Services

Directors and officers have made a significant contribution of their time to develop the organization and its care out its mission. No amounts have been recognized in the accompanying statement of activities and changes in net assets because the criteria for recognition of such efforts under GAAP have not been satisfied.

Concentration of Credit Risk

The Organization's cash and cash equivalents are maintained in one financial institution. The Organization has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance (FDIC) up to \$250,000. The uninsured cash balance at September 30, 2022 was \$0. At times during the year, the Organization maintained cash balances in excess of the insured limits.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and Section 23701(d) of the California Tax Code. Consequently, the accompanying financial statements do not reflect any provision for income taxes. Contributions to the Organization are deductible for tax purposes under Section 170(b)(1) of the IRC.

GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three and four years after they are filed, respectively.

VICTIMS FIRST, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

The Organization uses advertising to promote its program among the audiences it serves. Advertising costs are expenses as incurred. Advertising expense for the year ended September 30, 2022 was \$700.

Fair Value of Financial Instruments

The Organization's financial instruments, including cash and cash equivalents, receivables, accounts payable are carried at cost, which approximates fair value because of the short-term nature of these instruments.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on services benefited.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. ASU 2014-09 requires entities to recognize revenue in a way that depicts the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. In June 2020, the FASB issued ASU 2020-05, "Revenue from Contracts with Customers: Topic 606: Deferral of Effective Date". This standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2019, with early adoption permitted.

The Organization adopted this new standard effective October 1, 2020. The adoption of this ASU 2014-09 did not have a significant impact on the Organization's financial statements. The majority of the Organization's revenue arrangements generally consist of contributions from individuals, Foundations, Organizations, and other entities. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

In February 2016, the FASB issued ASU 2016-02 "Leases (Topic 842)", which sets out the principles for the recognition measurement, presentation, and disclosure of leases for both lessees and lessors. ASU 2016-2 requires lessees to recognize the following for all leases with terms longer than 12 months: (a) a lease liability, and (b) a right-of-use asset. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of 12 months or less will be accounted for similarly to existing guidance for operating leases. The FASB issued ASU 2020-05 delaying the effective date for non-public entities for fiscal years beginning after December 15, 2021, with early adoption permitted. The Organization is evaluating the impact the pronouncement may have on the financial statements, but it is not expected to make a significant impact to the Organization's financial position.

VICTIMS FIRST, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – USE 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents financial assets that could readily be made available within one year at September 30, 2022 for general expenditures:

Financial assets at year-end:

| | |
|---------------------------|-----------|
| Cash and cash equivalents | \$ 30,907 |
|---------------------------|-----------|

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for the year ended September 30, 2022 available for victims support are \$1,500. Of the \$1,500 was \$34 of earned interest in the holding bank accounts at the end of the fiscal year. The Organization subsequently disbursed the earned interest and satisfied the restricted purpose.

Net assets were released from restrictions during the year ended September 30, 2022 by incurring expenses satisfying the restricted purpose are \$8,693,595.

NOTE 6 – CONCENTRATIONS

During the year ended September 30, 2022, the Organization paid approximately 88 percent of victim assistance payments to one Organization. See Note 7.

NOTE 7 – RELATED PARTIES

During the year ended Sept. 30, 2022, the Organization contributed \$7,832,912 of donations it received to the National Compassion Fund, a nonprofit organization that administered Centralized Victims Funds for the cities of Buffalo, NY and Uvalde, TX where mass shootings occurred. Anita Busch led 70 mass shooting family co-founders to establish the National Compassion Fund in a partnership with the National Center for Victims of Crime. She assisted in developing the protocol specifically for Uvalde to distribute over \$22 million in donations to the victims and survivors of that mass shooting. She did this with 8 other community members from Uvalde. She did so as the President of VictimsFirst to ensure an equitable and fair distribution of the funds collected by VictimsFirst. Another board member of the Organization has worked for the National Compassion Fund for a limited time after each of three different, mass casualty crimes -- El Paso, Surfside and Uvalde. Of the \$7,832,912 donated to the National Compassion Fund for the year ended September 30, 2022, \$7,600,048 was designated towards Uvalde victims and their families.

VICTIMS FIRST, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

During the years ended September 30, 2022, the Organization paid \$0 in interest and no income taxes.

NOTE 9 – RISK AND UNCERTAINTIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies of many countries including the geographical area where the Organization operates. It is unknown how long this condition will last and management of the Organization cannot reasonably estimate at this time, its complete financial impact to the Organization’s financial statements.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 10, 2023 the date the financial statements were available to be issued.