



**FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**VICTIM RIGHTS LAW CENTER, INC.**

Contents  
September 30, 2017 and 2016

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Independent Auditor's Report

To the Board of Directors of  
Victim Rights Law Center, Inc.:

**Report on the Financial Statements**

We have audited the accompanying financial statements of Victim Rights Law Center, Inc. (a Massachusetts corporation, not-for-profit) which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and changes in net assets, cash flows and functional expenses 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***

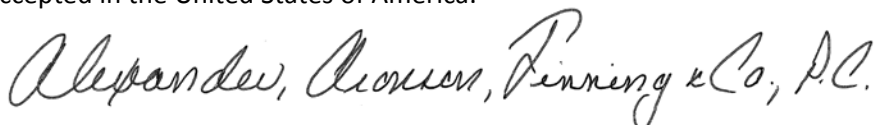
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 Victim Rights Law Center, Inc. as of September 30, 2017 and 2016, 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.



Wellesley, Massachusetts  
January 11, 2018

**VICTIM RIGHTS LAW CENTER, INC.**

Statements of Financial Position  
September 30, 2017 and 2016

<b>Assets</b>	<b>2017</b>			<b>2016</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Current Assets:						
Cash	\$ 82,029	\$ 81,659	\$ 163,688	\$ 277,505	\$ 35,076	\$ 312,581
Accounts receivable	479,173	-	479,173	264,304	-	264,304
Prepaid expenses	32,984	-	32,984	28,316	-	28,316
Total current assets	594,186	81,659	675,845	570,125	35,076	605,201
Equipment and Improvements, net	26,209	-	26,209	28,069	-	28,069
Deposit	26,993	-	26,993	26,993	-	26,993
Total assets	<u>\$ 647,388</u>	<u>\$ 81,659</u>	<u>\$ 729,047</u>	<u>\$ 625,187</u>	<u>\$ 35,076</u>	<u>\$ 660,263</u>
<b>Liabilities and Net Assets</b>						
Accounts Payable and Accrued Expenses	<u>\$ 139,679</u>	<u>\$ -</u>	<u>\$ 139,679</u>	<u>\$ 114,353</u>	<u>\$ -</u>	<u>\$ 114,353</u>
Net Assets:						
Unrestricted:						
Operating	481,500	-	481,500	482,765	-	482,765
Equipment and improvements	26,209	-	26,209	28,069	-	28,069
Total unrestricted	507,709	-	507,709	510,834	-	510,834
Temporarily restricted	-	81,659	81,659	-	35,076	35,076
Total net assets	<u>507,709</u>	<u>81,659</u>	<u>589,368</u>	<u>510,834</u>	<u>35,076</u>	<u>545,910</u>
Total liabilities and net assets	<u>\$ 647,388</u>	<u>\$ 81,659</u>	<u>\$ 729,047</u>	<u>\$ 625,187</u>	<u>\$ 35,076</u>	<u>\$ 660,263</u>

The accompanying notes are an integral part of these statements.

**VICTIM RIGHTS LAW CENTER, INC.**

Statements of Activities and Changes in Net Assets  
For the Years Ended September 30, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Operating Revenues and Support:</b>						
Special events:						
Contributions, support and ticket revenue	\$ 283,612	\$ -	\$ 283,612	\$ 179,145	\$ -	\$ 179,145
Less - direct expenses	89,054	-	89,054	65,584	-	65,584
Special events, net	194,558	-	194,558	113,561	-	113,561
Contract service revenue	1,618,446	-	1,618,446	967,952	-	967,952
Donated goods and services	464,550	-	464,550	174,217	-	174,217
Grants and contributions	52,320	71,600	123,920	58,905	92,431	151,336
Program service fees	30,567	-	30,567	111,630	-	111,630
Interest and other income	1,495	-	1,495	2,077	-	2,077
Net assets released from purpose restrictions	25,017	(25,017)	-	146,646	(146,646)	-
Total operating revenues and support	2,386,953	46,583	2,433,536	1,574,988	(54,215)	1,520,773
<b>Operating Expenses:</b>						
Program services:						
Client Services	1,857,019	-	1,857,019	1,005,608	-	1,005,608
National Training and Technical Assistance	310,538	-	310,538	382,378	-	382,378
Total program services	2,167,557	-	2,167,557	1,387,986	-	1,387,986
Supporting services:						
General and administrative	89,988	-	89,988	106,120	-	106,120
Development	132,533	-	132,533	129,389	-	129,389
Total supporting services	222,521	-	222,521	235,509	-	235,509
Total operating expenses	2,390,078	-	2,390,078	1,623,495	-	1,623,495
Changes in net assets from operations	(3,125)	46,583	43,458	(48,507)	(54,215)	(102,722)
<b>Non-Operating Revenue:</b>						
Capital grant	-	-	-	-	26,944	26,944
Net assets released from capital restrictions	-	-	-	26,944	(26,944)	-
Total non-operating revenue	-	-	-	26,944	-	26,944
Changes in net assets	(3,125)	46,583	43,458	(21,563)	(54,215)	(75,778)
<b>Net Assets:</b>						
Beginning of year	510,834	35,076	545,910	532,397	89,291	621,688
End of year	\$ 507,709	\$ 81,659	\$ 589,368	\$ 510,834	\$ 35,076	\$ 545,910

The accompanying notes are an integral part of these statements.

**VICTIM RIGHTS LAW CENTER, INC.**Statements of Cash Flows  
For the Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 43,458	\$ (75,778)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	13,477	4,240
Capital grant	-	(26,944)
Changes in operating assets and liabilities:		
Accounts receivable	(214,869)	(192,061)
Prepaid expenses	(4,668)	(7,244)
Accounts payable and accrued expenses	25,326	49,865
Net cash used in operating activities	(137,276)	(247,922)
<b>Cash Flows from Investing Activities:</b>		
Acquisition of equipment and improvements	(11,617)	(26,944)
<b>Cash Flows from Financing Activities:</b>		
Capital grant	-	26,944
<b>Net Change in Cash</b>	(148,893)	(247,922)
<b>Cash:</b>		
Beginning of year	312,581	560,503
End of year	<u>\$ 163,688</u>	<u>\$ 312,581</u>

**VICTIM RIGHTS LAW CENTER, INC.**

Statement of Functional Expenses  
 For the Year Ended September 30, 2017  
 (With Summarized Comparative Totals for the Year Ended September 30, 2016)

	2017					2016	
	Program Services			Supporting Services		Total	Total
	Client Services	National Training and Technical Assistance	Total Program Services	General and Administrative	Development		
<b>Expenses:</b>							
Salaries and related:							
Salaries	\$ 807,232	\$ 158,331	\$ 965,563	\$ 40,222	\$ 86,042	\$ 1,091,827	\$ 838,390
Donated client legal services	464,550	-	464,550	-	-	464,550	158,145
Payroll taxes	67,556	14,157	81,713	3,756	7,406	92,875	68,287
Employee benefits	56,654	8,571	65,225	2,931	5,067	73,223	53,833
Total salaries and related	<u>1,395,992</u>	<u>181,059</u>	<u>1,577,051</u>	<u>46,909</u>	<u>98,515</u>	<u>1,722,475</u>	<u>1,118,655</u>
Occupancy	<u>129,012</u>	<u>39,052</u>	<u>168,064</u>	<u>8,406</u>	<u>8,381</u>	<u>184,851</u>	<u>167,972</u>
Other costs:							
Professional fees	138,610	44,541	183,151	8,211	9,434	200,796	83,536
Audit and accounting	92,858	13,041	105,899	4,338	7,535	117,772	89,718
Travel	25,855	7,274	33,129	4,666	77	37,872	34,495
Miscellaneous	13,827	-	13,827	8,032	1,808	23,667	15,065
Technical support	13,695	2,618	16,313	992	1,014	18,319	13,575
Office	11,028	4,503	15,531	596	447	16,574	15,371
Telephone	9,703	3,168	12,871	832	839	14,542	13,005
Depreciation	3,914	3,914	7,828	4,447	1,202	13,477	4,240
Insurance	7,985	1,654	9,639	837	420	10,896	9,748
Training and conferences	1,947	7,649	9,596	655	-	10,251	4,673
Minor equipment and maintenance	4,904	1,659	6,563	579	750	7,892	14,271
Printing and postage	4,080	-	4,080	221	2,111	6,412	7,676
Professional development	3,364	-	3,364	-	-	3,364	12,577
Meals	245	406	651	267	-	918	2,846
Donated services and materials	-	-	-	-	-	-	16,072
Total other costs	<u>332,015</u>	<u>90,427</u>	<u>422,442</u>	<u>34,673</u>	<u>25,637</u>	<u>482,752</u>	<u>336,868</u>
Total operating expenses before general and administrative allocation	<u>1,857,019</u>	<u>310,538</u>	<u>2,167,557</u>	<u>89,988</u>	<u>132,533</u>	<u>2,390,078</u>	<u>1,623,495</u>
General and administrative allocation	<u>77,096</u>	<u>12,892</u>	<u>89,988</u>	<u>(89,988)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>\$ 1,934,115</u>	<u>\$ 323,430</u>	<u>\$ 2,257,545</u>	<u>\$ -</u>	<u>\$ 132,533</u>	<u>\$ 2,390,078</u>	<u>\$ 1,623,495</u>

The accompanying notes are an integral part of these statements.

**VICTIM RIGHTS LAW CENTER, INC.**

Statement of Functional Expenses  
For the Year Ended September 30, 2016

	Program Services			Supporting Services		Total
	Client Services	National Training and Technical Assistance	Total Program Services	General and Administrative	Development	
<b>Expenses:</b>						
Salaries and related:						
Salaries	\$ 505,635	\$ 204,454	\$ 710,089	\$ 56,232	\$ 72,069	\$ 838,390
Donated client legal services	158,145	-	158,145	-	-	158,145
Payroll taxes	40,888	17,313	58,201	4,438	5,648	68,287
Employee benefits	32,577	12,757	45,334	3,077	5,422	53,833
Total salaries and related	<u>737,245</u>	<u>234,524</u>	<u>971,769</u>	<u>63,747</u>	<u>83,139</u>	<u>1,118,655</u>
Occupancy	<u>99,628</u>	<u>50,366</u>	<u>149,994</u>	<u>9,033</u>	<u>8,945</u>	<u>167,972</u>
Other costs:						
Professional fees	34,513	41,510	76,023	3,695	3,818	83,536
Audit and accounting	59,914	18,651	78,565	6,777	4,376	89,718
Travel	22,837	6,558	29,395	1,561	3,539	34,495
Miscellaneous	6,252	1,053	7,305	7,419	341	15,065
Technical support	6,196	6,005	12,201	553	821	13,575
Office	7,815	1,641	9,456	1,582	4,333	15,371
Telephone	7,241	3,660	10,901	1,024	1,080	13,005
Depreciation	1,232	1,231	2,463	1,398	379	4,240
Insurance	5,967	2,181	8,148	1,458	142	9,748
Training and conferences	-	4,638	4,638	35	-	4,673
Minor equipment and maintenance	6,723	1,823	8,546	4,967	758	14,271
Printing and postage	2,236	945	3,181	205	4,290	7,676
Professional development	7,653	4,924	12,577	-	-	12,577
Meals	156	2,668	2,824	22	-	2,846
Donated services and materials	-	-	-	2,644	13,428	16,072
Total other costs	<u>168,735</u>	<u>97,488</u>	<u>266,223</u>	<u>33,340</u>	<u>37,305</u>	<u>336,868</u>
Total operating expenses before general and administrative allocation	<u>1,005,608</u>	<u>382,378</u>	<u>1,387,986</u>	<u>106,120</u>	<u>129,389</u>	<u>1,623,495</u>
General and administrative allocation	<u>76,885</u>	<u>29,235</u>	<u>106,120</u>	<u>(106,120)</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>\$ 1,082,493</u>	<u>\$ 411,613</u>	<u>\$ 1,494,106</u>	<u>\$ -</u>	<u>\$ 129,389</u>	<u>\$ 1,623,495</u>

The accompanying notes are an integral part of these statements.



## VICTIM RIGHTS LAW CENTER, INC.

Notes to Financial Statements  
September 30, 2017 and 2016

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### 1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

#### OPERATIONS AND NONPROFIT STATUS

Victim Rights Law Center, Inc. (VRLC) is a Massachusetts corporation, founded in 2000, and established as a not-for-profit corporation in 2002. VRLC is headquartered in Boston, Massachusetts with a second office in Portland, Oregon.

The mission of VRLC is:

- To provide legal representation to victims of sexual assault to help rebuild their lives; and
- To promote a national movement committed to seeking justice for every rape and sexual assault victim.

In Massachusetts and in Clackamas, Multnomah and Washington Counties in Oregon, VRLC staff attorneys and a panel of VRLC trained pro bono and low bono lawyers provide free, holistic, comprehensive legal representation to victims of sexual assault in the areas of education (K-12 and campus sexual assault), employment, housing, immigration, privacy, safety, financial stability, and criminal advocacy relating to the impact of the rape or sexual assault. During fiscal years 2017 and 2016, 723 and 652 clients were served, respectively. Each client typically has an average of two to three separate and distinct legal needs.

Nationally, VRLC provides training, technical assistance, mentoring, and support to lawyers, community advocates, sexual assault nurse examiners, medical professionals, advocates, military personnel, college administrators, rape crisis center counsels, and other community partners. In fiscal years 2017 and 2016, VRLC trained over 2,900 and 4,200 individuals, respectively, in Massachusetts, Oregon, and throughout the country to develop community partnerships, strengthen victim referral pipelines to VRLC, as well as to locally and nationally improve the response to sexual violence.

VRLC, with the support of pro bono attorneys, also submits amicus briefs in Massachusetts, signs onto amicus briefs in other states, and submitted its first brief to the U.S. Supreme Court in 2013, in order to lend our unique legal lens as civil attorneys solely focused on representing sexual assault survivors to the national legal dialogue.

VRLC attorneys have their feet on the ground working with individual sexual assault survivors in Massachusetts and Oregon and their finger on the pulse nationally through training. VRLC is committed to leading a new response to sexual violence that helps survivors stabilize and rebuild their lives.

VRLC is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). VRLC is also exempt from state income taxes. Donors may deduct contributions made to VRLC within the IRC requirements.

#### SIGNIFICANT ACCOUNTING POLICIES

VRLC prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

#### Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**VICTIM RIGHTS LAW CENTER, INC.**

Notes to Financial Statements  
September 30, 2017 and 2016

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**1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Special event revenue is recorded at the time of the event. Contract service revenue is recorded over the contract period as services are provided. Unrestricted grants and contributions are recorded as revenue when received or unconditionally pledged. Program service fees are recorded as services are provided. Interest and other income are recorded as earned.

Restricted grants and contributions are recorded as temporarily restricted revenues and net assets when received or unconditionally pledged. Transfers are made to unrestricted net assets as donor restrictions have been satisfied.

**Equipment and Improvements and Depreciation**

Purchased equipment and improvements are recorded at cost. Donated equipment and improvements are recorded at fair value at the time of donation. Renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Office equipment	3 - 5 years
Website	3 - 5 years
Furniture	5 - 7 years

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is recorded based on management's analysis of specific amounts and their estimate of any amount that may be uncollectible. There was no allowance for doubtful accounts deemed necessary at September 30, 2017 or 2016.

**Donated Goods and Services**

Volunteers, employees and other organizations contribute goods and services to VRLC in support of various aspects of its programs. These services are reflected in the accompanying financial statements based upon the estimated value assigned to them by donating volunteers, agencies, and management. The value of these goods and services is as follows for the years ended September 30:

	<u>2017</u>	<u>2016</u>
Donated legal representation	\$ 464,550	\$ 158,145
Donated services and materials	-	16,072
	<u>\$ 464,550</u>	<u>\$ 174,217</u>

Additionally, included in special events contributions, support and ticket revenue, and special event direct expense for the year ended September 30, 2017, is donated goods of \$14,076.

**1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Expense Allocations**

Expenses related directly to a program are distributed to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

**Subsequent Events**

Subsequent events have been evaluated through January 11, 2018, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

**Fair Value Measurements**

VRLC follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that VRLC would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

VRLC uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of VRLC. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

## VICTIM RIGHTS LAW CENTER, INC.

Notes to Financial Statements  
September 30, 2017 and 2016

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### 1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Income Taxes

VRCL accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. VRCL has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at September 30, 2017 and 2016. VRCL's information returns are subject to examination by the Federal and state jurisdictions.

##### Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenue and operating expenses in the accompanying statements of activities and changes in net assets. Non-operating revenue includes capital grants.

### 2. EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consist of the following at September 30:

	<u>2017</u>	<u>2016</u>
Office equipment	\$ 52,784	\$ 44,544
Website	20,000	20,000
Furniture	<u>12,419</u>	<u>12,419</u>
	85,203	76,963
Less - accumulated depreciation	<u>58,994</u>	<u>48,894</u>
Net equipment and improvements	<u>\$ 26,209</u>	<u>\$ 28,069</u>

### 3. NET ASSETS

#### Unrestricted Net Assets

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by VRCL. VRCL has grouped its unrestricted net assets into the following categories:

**Operating net assets** - represent funds available to carry on the operations of VRCL.

**Equipment and improvements net assets** - reflect and account for the activities relating to VRCL's equipment and improvements.

#### Temporarily Restricted Net Assets

VRCL receives contributions and grants which are designated by donors for specific purposes. These contributions are recorded as temporarily restricted net assets until they are expended for their designated purposes. As of September 30, 2017 and 2016, temporarily restricted net assets consist of funds that are restricted by donors for future program use.

## VICTIM RIGHTS LAW CENTER, INC.

Notes to Financial Statements  
September 30, 2017 and 2016

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### 4. OPERATING LEASES

VRLC rents office space under an operating lease agreement through November 2018. Under this agreement, VRLC is also responsible for its proportionate share of common area costs and real estate taxes. VRLC records rent expense under the agreement based on the monthly lease payments, which approximates the straight-line basis, in accordance with the *Accounting for Leases* standards under U.S. GAAP. As defined in the lease agreement, VRLC provided its landlord with a security deposit totaling \$26,993. In addition, VRLC leases equipment under an operating lease agreement. This agreement expires in May 2021.

Remaining minimum annual rentals for the non-cancelable portions of the leases are as follows:

<u>Fiscal Years</u>	<u>Facility</u>	<u>Equipment</u>
2018	\$ 110,123	\$ 2,392
2019	\$ 18,447	\$ 2,392
2020	\$ -	\$ 2,392
2021	\$ -	\$ 1,595

VRLC has an annual lease agreement in Portland, Oregon for office space. The terms of the lease are determined on an annual basis and are contingent upon VRLC securing funding to operate the office each year. VRLC is a tenant-at-will and termination of the lease is required within thirty days prior to renewal period. As a result of these circumstances, there are no future lease obligations included in the above amounts.

Total rent expense for fiscal years 2017 and 2016 was \$175,968 and \$159,853, respectively, and is included in occupancy in the accompanying statements of functional expenses.

### 5. RETIREMENT PLAN

VRLC established a defined contribution retirement plan (the Plan) under IRC Section 403(b) covering all benefit eligible employees, effective January 1, 2016. Employees become eligible if they work more than 20 hours per week and complete three months of employment. VRLC makes a matching contribution to the Plan up to 2% of eligible employee salaries. VRLC contributed \$11,713 and \$6,720 to the Plan during fiscal years 2017 and 2016, respectively, which is included in employee benefits in the accompanying statements of functional expenses.

### 6. RELATED PARTY TRANSACTIONS

The Executive Director of VRLC is also a voting member of the Board of Directors and abstains from voting on matters pertaining to her compensation.

## VICTIM RIGHTS LAW CENTER, INC.

Notes to Financial Statements  
September 30, 2017 and 2016

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### 7. CONCENTRATIONS

#### Funding

Funding agencies and donors exceeding 10% of VRLC's operating revenue and support or grants and accounts receivable as of and for the years ended September 30, 2017 and 2016, are as follows:

<u>Funder</u>	<u>Operating Revenue and Support %</u>		<u>Grants and Pledges Receivable %</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Federal Department of Justice	56%	57%	61%	58%
Massachusetts Department of Victim and Witness Assistance Board	17%	16%	18%	26%
Federal contract pass-through	6%	0%	12%	0%

Payments to VRLC are subject to audit by the appropriate government agency. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of VRLC as of September 30, 2017 and 2016, or on the changes in net assets for the years then ended.

#### Credit Risk

VRLC maintains its cash in one bank in Massachusetts and its balances are insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances may exceed the insured amounts. VRLC has not experienced any losses in such accounts. VRLC believes it is not exposed to any significant credit risk on cash.

### 8. RECLASSIFICATIONS

Certain amounts in the fiscal year 2016 financial statements have been reclassified to conform with the fiscal year 2017 presentation.