

**VICTIM RIGHTS LAW CENTER, INC.**

**FINANCIAL STATEMENTS**

*with*

**INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

Smith  Sullivan  
& Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

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**VICTIM RIGHTS LAW CENTER, INC.**  
**REPORT ON FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**



**Mission Statement**

*The Victim Rights Law Center's mission is to provide legal representation to victims of rape and sexual assault to help rebuild their lives; and to promote a national movement committed to seeking justice for every rape and sexual assault victim.*

VICTIM RIGHTS LAW CENTER, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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# Smith Sullivan & Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of Victim Rights Law Center, Inc. (a Massachusetts nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 Victim Rights Law Center, Inc. as of September 30, 2024 and 2023, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Victim Rights Law Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Victim Rights Law Center, 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 GAAS and *Government 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.

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

In performing an audit in accordance with GAAS and *Government 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 Victim Rights Law Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- 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 Victim Rights Law Center, 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.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025 on our consideration of Victim Rights Law Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Victim Rights Law Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Victim Rights Law Center, Inc.'s internal control over financial reporting and compliance.

*Smith, Sullivan & Brown, PC*

Westborough, Massachusetts  
February 12, 2025

VICTIM RIGHTS LAW CENTER, INC.

STATEMENTS OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS:</u>		
Cash	\$ 1,413,255	\$ 1,353,210
Grants Receivable	409,946	309,593
Contributions and Sponsorships Receivable	-	55,267
Program Services Receivable	16,340	37,991
Prepaid Expenses	49,316	47,156
Total Current Assets	<u>1,888,857</u>	<u>1,803,217</u>
 <u>NET PROPERTY AND EQUIPMENT</u>	 <u>-</u>	 <u>6,039</u>
 <u>OTHER ASSETS:</u>		
Deposits	12,667	12,667
Operating Lease Right-of-Use Asset	80,284	157,071
Total Other Assets	<u>92,951</u>	<u>169,738</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 1,981,808</u>	 <u>\$ 1,978,994</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 39,655	\$ 45,282
Accrued Payroll and Related Costs	170,585	132,696
Operating Lease Liability, Current	83,002	81,286
Deferred Revenue	125,525	41,821
Total Current Liabilities	<u>418,767</u>	<u>301,085</u>
 <u>NON-CURRENT LIABILITIES:</u>		
Operating Lease Liability, Non-Current	472	80,194
Total Non-Current Liabilities	<u>472</u>	<u>80,194</u>
 <u>TOTAL LIABILITIES</u>	 <u>419,239</u>	 <u>381,279</u>
 <u>NET ASSETS:</u>		
Net Assets Without Donor Restrictions	1,518,882	1,486,896
Net Assets With Donor Restrictions	43,687	110,819
Total Net Assets	<u>1,562,569</u>	<u>1,597,715</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 1,981,808</u>	 <u>\$ 1,978,994</u>

VICTIM RIGHTS LAW CENTER, INC.

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024			2023		
	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u> <u>ACTIVITIES</u>	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u> <u>ACTIVITIES</u>
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>						
Government Grants and Contracts	\$ 2,760,110	\$ -	\$ 2,760,110	\$ 2,942,764	\$ -	\$ 2,942,764
Donated Goods and Services	645,738	-	645,738	605,581	-	605,581
Gifts, Grants and Contributions	302,556	64,515	367,071	134,051	92,496	226,547
Proceeds from Special Events	-	-	-	384,987	-	384,987
Less: Cost of Direct Benefits to Donors	-	-	-	(71,871)	-	(71,871)
Program Service Fees	173,508	-	173,508	325,504	-	325,504
Interest and Other Income	5,705	-	5,705	11	-	11
Net Assets Released from Purpose Restrictions	131,647	(131,647)	-	89,290	(89,290)	-
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>4,019,264</u></b>	<b><u>(67,132)</u></b>	<b><u>3,952,132</u></b>	<b><u>4,410,317</u></b>	<b><u>3,206</u></b>	<b><u>4,413,523</u></b>
<b><u>EXPENSES:</u></b>						
<i>Program Services:</i>						
Client Services	1,843,721	-	1,843,721	2,329,315	-	2,329,315
National Training and Technical Assistance	1,428,213	-	1,428,213	934,902	-	934,902
Total Program Services	3,271,934	-	3,271,934	3,264,217	-	3,264,217
<i>Supporting Services:</i>						
Administrative	397,713	-	397,713	397,286	-	397,286
Fund Raising	317,631	-	317,631	165,764	-	165,764
<b><u>TOTAL EXPENSES</u></b>	<b><u>3,987,278</u></b>	<b><u>-</u></b>	<b><u>3,987,278</u></b>	<b><u>3,827,267</u></b>	<b><u>-</u></b>	<b><u>3,827,267</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b>31,986</b>	<b>(67,132)</b>	<b>(35,146)</b>	<b>583,050</b>	<b>3,206</b>	<b>586,256</b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>1,486,896</u></b>	<b><u>110,819</u></b>	<b><u>1,597,715</u></b>	<b><u>903,846</u></b>	<b><u>107,613</u></b>	<b><u>1,011,459</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 1,518,882</u></b>	<b><u>\$ 43,687</u></b>	<b><u>\$ 1,562,569</u></b>	<b><u>\$ 1,486,896</u></b>	<b><u>\$ 110,819</u></b>	<b><u>\$ 1,597,715</u></b>

VICTIM RIGHTS LAW CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024  
*(With Summarized Comparative Totals for 2023)*

	<u>CLIENT</u>	<u>NATIONAL</u> <u>TRAINING AND</u>	<u>TOTAL</u>	<u>ADMINI-</u>	<u>FUND</u>	<u>TOTAL</u>	
	<u>SERVICES</u>	<u>TECHNICAL</u> <u>ASSISTANCE</u>	<u>PROGRAM</u> <u>SERVICES</u>	<u>STRATIVE</u>	<u>RAISING</u>	<u>2024</u>	<u>2023</u>
<i>Personnel and Related Expenses :</i>							
Salaries and Wages	\$ 1,098,275	\$ 613,753	\$ 1,712,028	\$ 261,090	\$ 174,188	\$ 2,147,306	\$ 2,041,759
Employee Benefits	166,472	115,096	281,568	21,456	27,285	330,309	273,629
Payroll Taxes	98,327	49,030	147,357	13,557	13,896	174,810	166,043
Donated Legal Services	224,298	421,440	645,738	-	-	645,738	605,581
Total Personnel and Related Expenses	<u>1,587,372</u>	<u>1,199,319</u>	<u>2,786,691</u>	<u>296,103</u>	<u>215,369</u>	<u>3,298,163</u>	<u>3,087,012</u>
<i>Other Expenses :</i>							
Occupancy	54,291	37,173	91,464	2,007	4,059	97,530	95,053
Professional Fees	103,004	72,282	175,286	36,614	66,185	278,085	359,603
Office and Operating Supplies	23,676	6,078	29,754	15,953	9,844	55,551	83,126
Technical Support	17,587	9,143	26,730	1,465	2,622	30,817	26,875
Communications	11,853	5,836	17,689	34,309	921	52,919	45,123
Insurance	15,238	6,746	21,984	659	948	23,591	20,411
Depreciation Expense	6,039	-	6,039	-	-	6,039	15,626
Training and Conferences	21,580	84,972	106,552	6,720	1,863	115,135	63,757
Minor Equipment and Maintenance	3,081	6,664	9,745	530	-	10,275	27,283
Miscellaneous	-	-	-	3,353	15,820	19,173	3,398
Special Events	-	-	-	-	-	-	71,871
Total Other Expenses	<u>256,349</u>	<u>228,894</u>	<u>485,243</u>	<u>101,610</u>	<u>102,262</u>	<u>689,115</u>	<u>812,126</u>
<b>Total Functional Expenses</b>	<b><u>\$ 1,843,721</u></b>	<b><u>\$ 1,428,213</u></b>	<b><u>\$ 3,271,934</u></b>	<b><u>\$ 397,713</u></b>	<b><u>\$ 317,631</u></b>	<b><u>\$ 3,987,278</u></b>	<b><u>\$ 3,899,138</u></b>

VICTIM RIGHTS LAW CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>CLIENT</u> <u>SERVICES</u>	<u>NATIONAL</u> <u>TRAINING AND</u> <u>TECHNICAL</u> <u>ASSISTANCE</u>	<u>TOTAL</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>EVENT</u> <u>COSTS</u>	<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
<i>Personnel and Related Expenses :</i>							
Salaries and Wages	\$ 1,237,792	\$ 485,356	\$ 1,723,148	\$ 218,520	\$ 100,091	\$ -	\$ 2,041,759
Employee Benefits	152,842	77,444	230,286	30,389	12,954	-	273,629
Payroll Taxes	96,574	40,579	137,153	20,474	8,416	-	166,043
Donated Client Legal Services	402,967	170,850	573,817	31,764	-	-	605,581
Total Personnel and Related Expenses	<u>1,890,175</u>	<u>774,229</u>	<u>2,664,404</u>	<u>301,147</u>	<u>121,461</u>	<u>-</u>	<u>3,087,012</u>
<i>Other Expenses :</i>							
Occupancy	61,159	25,884	87,043	5,979	2,031	-	95,053
Professional Fees	219,957	76,549	296,506	36,796	26,301	-	359,603
Office and Operating Supplies	50,802	7,429	58,231	15,107	9,788	-	83,126
Technical Support	18,083	6,974	25,057	431	1,387	-	26,875
Communications	17,423	6,207	23,630	20,464	1,029	-	45,123
Insurance	14,162	4,367	18,529	1,023	859	-	20,411
Depreciation Expense	15,626	-	15,626	-	-	-	15,626
Training and Conferences	16,298	31,145	47,443	13,783	2,531	-	63,757
Minor Equipment and Maintenance	24,495	2,118	26,613	670	-	-	27,283
Miscellaneous	1,135	-	1,135	1,886	377	-	3,398
Special Events	-	-	-	-	-	71,871	71,871
Total Other Expenses	<u>439,140</u>	<u>160,673</u>	<u>599,813</u>	<u>96,139</u>	<u>44,303</u>	<u>71,871</u>	<u>812,126</u>
<b>Total Functional Expenses</b>	<b>2,329,315</b>	<b>934,902</b>	<b>3,264,217</b>	<b>397,286</b>	<b>165,764</b>	<b>71,871</b>	<b>3,899,138</b>
Cost of Direct Benefits to Donors	-	-	-	-	-	(71,871)	(71,871)
<b>Expenses as Presented on the Statement of Activities</b>	<b><u>\$ 2,329,315</u></b>	<b><u>\$ 934,902</u></b>	<b><u>\$ 3,264,217</u></b>	<b><u>\$ 397,286</u></b>	<b><u>\$ 165,764</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,827,267</u></b>

VICTIM RIGHTS LAW CENTER, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ (35,146)	\$ 586,256
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>		
Depreciation Expense	6,039	15,626
<i>(Increase) Decrease in Current Assets:</i>		
Grants Receivable	(100,353)	151,059
Contributions and Sponsorships Receivable	55,267	(3,839)
Program Services Receivable	21,651	(13,094)
Prepaid Expenses	(2,160)	(23,315)
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	(5,627)	21,741
Accrued Payroll and Related Costs	37,889	(26,798)
Deferred Revenue	83,704	41,821
Operating Lease Liability, Current	1,716	81,286
<i>(Increase) Decrease in Other Assets:</i>		
Operating Lease Right-of-Use Asset	76,787	(157,071)
<i>Increase (Decrease) in Non-Current Liabilities:</i>		
Operating Lease Liability, Non-Current	(79,722)	80,194
Net Adjustment	<u>95,191</u>	<u>167,610</u>
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>	<b><u>60,045</u></b>	<b><u>753,866</u></b>
<b><u>NET INCREASE IN CASH BALANCES</u></b>	<b><u>60,045</u></b>	<b><u>753,866</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>1,353,210</u></b>	<b><u>599,344</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 1,413,255</u></b>	<b><u>\$ 1,353,210</u></b>

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

NOTE 1 ORGANIZATION

Victim Rights Law Center, Inc. (“Victim Rights Law Center”, “VRLC” or the “Organization”) was incorporated in April 2002 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code (“IRC”). VRLC has been classified as an organization which is not a private foundation under IRC Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

NOTE 2 PROGRAM SERVICES

Victim Rights Law Center, Inc. is headquartered in Boston, Massachusetts with additional offices in Belchertown, MA and Portland, Oregon.

The mission of VRLC is:

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

In Massachusetts and in Clackamas, Multnomah and Washington Counties in Oregon, VRLC staff attorneys and a panel of VRLC trained and mentored pro bono and low pro bono lawyers provide free, holistic, comprehensive legal representation to survivors of rape and 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 2024 and 2023, 792 and 766 clients were served, respectively. In fiscal years 2024 and 2023, clients were helped with 1,618 and 1,428, respectively, separate legal matters.

Nationally, VRLC provided training, technical assistance, mentoring, and support to lawyers, community advocates, sexual assault nurse examiners, advocates, college administrators, rape crisis center counsels, and other professionals. In fiscal years 2024 and 2023, VRLC trained 10,145 and 2,429 individuals, respectively, in Massachusetts, Oregon, and throughout the country to develop community partnerships, strengthen victim referral pipelines to VRLC, as well as to improve the response locally and nationally to sexual violence.

VRLC’s pro bono program engages attorneys and paraprofessionals. Pro bono attorneys and paraprofessionals volunteer to provide legal representation to individual survivors as well as conduct legal research; prepare memos; and help develop, edit, and translate products. In addition, pro bono attorneys support VRLC in drafting amicus briefs and support our team in identifying and determining when to sign onto other briefs 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 helping individual sexual assault survivors in Massachusetts and Oregon and their finger on the pulse nationally through training and mentorship of other professionals. VRLC is committed to leading the legal response to sexual violence to help survivors stabilize and rebuild their lives.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

(Continued)

NOTE 3      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting:**

The financial statements of the Victim Rights Law Center, Inc. have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (“GAAP”) and accordingly, reflect all significant receivables, payables and other liabilities.

**Estimates:**

The preparation of financial statements in accordance with 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; however, adherence to generally accepted accounting principles, has in management’s opinion, resulted in reliable and consistent financial reporting by the Organization.

**Financial Statement Presentation:**

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as defined below.

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

*Net Assets With Donor Restrictions* - Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. As of September 30, 2024 and 2023, the Organization has no net assets that are required to be maintained in perpetuity. The Organization’s unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

**Receivables:**

*Grants Receivable* primarily represents amounts which are due from government funded program service grant agreements which are administered on a cost-reimbursement basis.

*Contributions and Sponsorships Receivable* represents event proceeds and commitments due from the annual fundraising event, which was held in September 2023 and October 2024.

*Program Services Receivable* represents the balance due on services performed pursuant to technical assistance consulting agreements.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

*(Continued)*

NOTE 3 *(Continued)*

On a periodic basis, Management evaluates receivables and establishes an allowance for doubtful accounts, based on past collections and current credit conditions. A receivable is considered past due if payment has not been received within stated terms. Management will then exhaust all methods to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged to the allowance for doubtful accounts. Amounts due are considered fully collectible; consequently, these financial statements do not contain a provision for uncollectible receivables and there were no bad debts for the years presented.

Receivables may also include balances due on unconditional promises to give. Amounts are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. Promises to give with expected payment dates that extend beyond one year are discounted to their present value when considered material.

**Property and Equipment:**

Property, equipment, furnishing and improvement purchases in excess of \$1,000 are capitalized at cost, if purchased, or if donated, at fair value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed on the straight-line method, and is charged against support and revenues over the estimated useful lives of the assets as expressed in terms of years. In the accompanying financial statements, property and equipment, consisting of computer and technology costs, are depreciated over a three-year life.

**Leases:**

The Organization is the lessee of space under operating lease agreements during the years presented. The Organization determines if an arrangement is a lease at inception. Operating and finance leases are included in right-of-use ("ROU") assets, operating lease liabilities, and finance lease liabilities in the Statements of Financial Position when such amounts are material. For the years presented, the Organization had no material finance leases. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term, using the weighted-average discount rate. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization's operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement is inclusive of real estate taxes, common area charges and electricity. The Organization elected the practical expedient to not separate lease and non-lease components for its real estate lease. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to exclude short-term leases of twelve months or less from these requirements and will continue to account for these leases on a straight-line basis under the previous standard. Short term lease expenses and operating lease expenses are presented separately in the Statement of Functional Expenses when such amounts are material.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

(Continued)

NOTE 3 (Continued)

**Government Grants and Contracts:**

The Organization recognizes revenue derived from cost-reimbursement contracts and grants from the U.S. Department of Justice's Office on Violence Against Women ("OVW") and passthrough funding from the U.S. Department of Justice's Victims of Crime Act ("VOCA") received from the Massachusetts Office for Victim Assistance ("MOVA"), Oregon Crime Victim and Survivor Services Division ("CVSSD") and the Massachusetts Legal Assistance Corporation ("MLAC"). These contracts are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses and are accounted for as conditional grants. When applicable, amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. When applicable, amounts received in advance of meeting the above conditions are reported as *Conditional Grant Advances*, a current liability within the Statements of Financial Position.

**Gifts, Grants and Contributions:**

The Organization is the beneficiary of contributions in the form of grants from other organizations, governmental agencies, donations of cash and financial assets from individuals and contributions of nonfinancial assets. Contributions, including promises to give, without donor conditions are recognized as revenue at their estimated fair value at the date of donation and classified as either with or without donor restrictions depending on the donor's stipulations or lack thereof. Unconditional, multi-year commitments are recognized in the year during which the initial commitment is made at the amount that the Organization reasonably expects to collect. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material. Amounts receivable from donors are evaluated yearly for collectability and an allowance for uncollectible pledges is recorded as necessary.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restrictions are met, at which time the net assets are reclassified to net assets without donor restrictions.

Conditional donations are those that have a measurable performance or other barrier and include a right of return of the assets or right of release of the donor from further obligation if the conditions are not met. Conditional donations are not recognized until the associated barriers are met. Any cash received before the conditions or barriers are met is reported as a refundable grant advance. When the conditions are met the revenue is reported as contributions without donor restrictions unless there are further restrictions over and above those associated with the donor conditions. In such cases, when the conditions and restrictions are met within the same reporting period, the support is recognized as contributions or grants without donor restrictions.

Revenue classified as *Proceeds from Special Events* is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. Accordingly, sponsorships and ticket sales received in advance of the event are reported as deferred revenue. As of September 30, 2024, VRLC had received ticket sales and sponsorship fees totaling \$125,525 for its October 2024 Shining Star Gala, which is carried as *Deferred Revenue*, to be recognized at the time of the event, in FY 2025.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

(Continued)

NOTE 3 (Continued)

**Donations of Nonfinancial Assets:**

Contributed nonfinancial assets includes donated professional services. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. All such donations are classified as contributions without donor restrictions and VRLC does not monetize its nonfinancial donations.

**Program Service Fees and Contracted Revenue:**

VRLC derives revenue in exchange for contracted services to other organizations and governmental agencies, as well as from registration fees for conferences.

Revenue from contracts is recognized as eligible expenditures are incurred or as deliverable services are provided under the terms of the contract. Services provided but not yet invoiced under the terms of the contract are included in *Unbilled Contract Receivables*, a contract asset in the Statement of Financial Position, when applicable. Under the provisions of certain contracts, the Organization may receive payments in advance of services rendered and/or costs incurred. Funds received in excess of amounts earned are recorded as *Deferred Revenue*, a contract liability, in the accompanying Statements of Financial Position.

Performance obligations are either satisfied over time or at a point in time, in accordance with the contract terms and conditions. Revenue for performance obligations satisfied over time is recognized ratably over the term of the performance obligation. Revenue for performance obligations satisfied at a point in time is generally recognized when deliverables, milestones, or tasks are achieved. For the years presented, the VRLC's revenue from service contracts was recognized over a period of time that coincides with the corresponding service delivery.

VRLC also holds a national conference, for which tickets for admission and participation are charged. Proceeds from tickets received in advance of the event are presented as *Deferred Revenue* until the conference takes place, at which point in time, revenue is recognized for the conference. As of September 30, 2023, VRLC had received registration fees totaling \$41,821 for its October 2023 national conference, which was carried as *Deferred Revenue*, and was recognized in FY 2024.

The Organization determines the transaction price based on rates for services provided as defined in the contract. The Organization's revenue streams do not have significant financing components or contract costs.

Future performance obligations are the estimated future amounts not yet invoiced for a contract with a client. As of September 30, 2024 and 2023, management has estimated the aggregate future performance obligation for contracts to be immaterial to the financial statements.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

(Continued)

NOTE 3 (Continued)

**Functional Expenses:**

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based upon Management's estimates of space and time usage. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. In the accompanying Statements of Functional Expenses, *Salaries and Wages*, *Payroll Taxes*, and *Employee Benefits* are allocated based on estimates of time and effort. Supporting services have been sub-classified as follows:

*Administrative* - includes all activities related to Victim Rights Law Center's internal management and accounting for program services.

*Fund Raising* - includes all activities related to maintaining contributor information, writing grant proposals, direct mail solicitation, distribution of materials and other similar projects related to the procurement of funds for VRLC's programs.

*Event Costs* - includes expenses incurred for fund raising events which represents the cost of direct benefits to the donors and are presented separately in the Statement of Functional Expenses and are also presented net of event proceeds in the accompanying Statements of Activities.

**Reclassifications:**

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Reclassifications made to the prior year information have no impact on total net assets or changes in net assets.

NOTE 4 PROPERTY AND EQUIPMENT

The following is a summary of the Organization's property and equipment consisting of computer equipment and capitalized technology costs as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cost	\$ 109,003	\$ 109,003
Less: Accumulated Depreciation	<u>(109,003)</u>	<u>(102,964)</u>
Property and Equipment, Net	<u>\$ -</u>	<u>\$ 6,039</u>

NOTE 5 LINE-OF-CREDIT

To support VRLC during delays in payments on grant billing, VRLC has a revolving line-of-credit agreement with a bank that allows for borrowings of up to \$200,000. Borrowings under the agreement are due on demand and interest is payable monthly at the bank's base lending rate plus 1.5% (9.25% and 10.00% as of September 30, 2024 and 2023). The line-of-credit is secured by all assets of VRLC. This line-of-credit is renewable annually in December and unless renewed, will expire on December 31, 2025. The line-of-credit was not used in either year presented and carried a zero balance at each respective year end.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

(Continued)

NOTE 6    NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of unexpended donor-designated grants and contributions. As of September 30, 2024 and 2023, net assets with donor restrictions consisted of \$43,687 and \$110,819, respectively, restricted for programs.

Net assets were released by incurring expenses which satisfied the program restrictions. For the years ended September 30, 2024 and 2023, net assets in the amounts of \$131,647 and \$89,290, respectively, were released from restriction.

NOTE 7    LEASE COMMITMENTS

**Facilities:**

*Boston, Massachusetts*

As of August 1, 2022, the Organization became party to a lease agreement for 1,003 square feet of office space in Boston, which is used for the Organization's headquarters. The term of the lease is for thirty-nine months, expiring October 1, 2025. The lease provides VRLC an option to extend the term for an additional 36 months; however, VRLC is not reasonably certain that it will exercise the option, which is excluded from the calculations of ROU assets and liabilities. Monthly payments for the first year are \$3,594, increasing by approximately \$1.00 per square foot for each year thereafter. A security deposit of \$7,188 was paid at the inception of the lease and is included in *Deposits* in the accompanying Statements of Financial Position.

*Portland, Oregon*

As of June 1, 2022, the Organization became party to a lease agreement for 1,952 square feet of program and office space in Portland. The term of the lease is for thirty-eight months, expiring August 31, 2025. The lease provides VRLC with renewal options that will not be exercised and, therefore, excluded from the calculations of ROU assets and liabilities. Monthly payments for the first year are \$3,091, increasing by approximately 3% for each year thereafter. A security deposit of \$3,279 was paid at the inception of the lease and is included in *Deposits* in the accompanying Statements of Financial Position.

*Belchertown, Massachusetts*

VRLC also rents two office spaces in Belchertown for direct program service delivery. The lease is for 12-months expiring annually on March 31, with the most recent agreement in effect through March 31, 2025. The renewal of this lease is determined on an annual basis and dependent upon continued and adequate programmatic funding; therefore, management has not applied the lease standard to this agreement. Total rent paid for this space amounted to \$16,200 and \$15,500 for the years ended September 30, 2024 and 2023, respectively. The future rent due under the lease is \$8,100 due in FY 2025.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

(Continued)

NOTE 7 (Continued)

The lease cost and other information for operating leases for the years ended September 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Operating Lease Expense	\$81,312	\$ 81,312
Other Information:		
Cash Flows from Operating Leases	\$85,811	\$ 76,903
ROU Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$230,927
Weighted-Average Remaining Lease Term in Years	1.0	2.0
Weighted-Average Discount Rate	3.83%	3.83%

As of September 30 2024, the future minimum lease obligation arising from the above agreements is presented below:

<u>Fiscal Year Ending</u>	<u>Total</u>
September 30, 2025*	\$81,121
September 30, 2026	<u>3,761</u>
Total Undiscounted Cash Flows	84,882
Less: Present Value Discount	<u>(1,408)</u>
Total Lease Liabilities	<u>\$83,474</u>

\*Excludes Belchertown lease

The total rent expense for fiscal years 2024 and 2023 was \$96,502 and \$94,418, respectively, and is included in *Occupancy* in the accompanying Statements of Functional Expenses.

NOTE 8 GOVERNMENT FUNDED GRANTS AND AGREEMENTS

**U.S. Department of Justice (“DOJ”):**

Direct Federal Awards

During the years presented, VRLC was the recipient of six direct federal awards through the DOJ Office on Violence Against Women (“OVW”).

The first award was funded under the federal *Legal Assistance for Victims Grant Program* and originally had a three-year term expiring September 30, 2019 with total funding of \$800,000. This grant was amended to extend the term of the award through September 30, 2022 and then 2025 with additional funding of \$800,000 for each extension. The grant supports VRLC’s Comprehensive Legal Services for Sexual Assault Victims in Massachusetts program.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

*(Continued)*

NOTE 8     *(Continued)*

The second award was funded under the federal *OVW Technical Assistance Initiative* and originally had a three-year term expiring September 30, 2018 with total funding of \$600,000. In September 2018, this contract was amended to extend the term of the award through September 30, 2021 with additional funding of \$577,971. In September 2021, this award was renewed for a three-year term expiring September 30, 2024 with total available funding of \$599,959. This grant was amended to extend the term of the award through October 30, 2024. This grant supports VRLC's National Sexual Assault Justice Education Project ("SAJE").

The third award was funded under the federal *Legal Assistance for Victims Grant Program* and originally had a three-year term expiring September 30, 2018 with total funding of \$800,000. This contract was amended to extend the term of the award through September 30, 2024 with additional funding of \$800,000. The grant was amended to extend the term of the award through July 31, 2025. This grant supports VRLC's Legal Access to Rape Survivors ("LARS") Project in Oregon.

The fourth award was funded under the federal *OVW Technical Assistance Initiative* and originally had a two-year term expiring September 30, 2019 with total funding of \$600,000. This grant was amended to extend the term of the award and increase funding to \$1,650,000 for FY 2020 through March 31, 2025. This grant supports VRLC's Campus Gender-Based Violence Conduct Project.

The fifth award was funded under the federal *OVW Technical Assistance Initiative* with a two-year term initially expiring September 2023 with total available funding of \$349,980. This award was amended to extend the term of the award through February 29, 2024 with additional funding of \$349,980. In September 2023, this award was renewed for a three-year term expiring September 30, 2026 with new available funding of \$570,000. This grant supports VRLC's Legal Empowerment Advocacy Project ("LEAP").

The sixth award was funded under the federal *OVW Technical Assistance Initiative* and has a three-year term expiring September 2026 with total available funding of \$400,000. This grant supports VRLC's Legal Youth in Education Settings Legal Services Project ("YES").

*Passthrough Awards*

VRLC received additional DOJ awards funded by VOCA from three cost-reimbursement grants through MOVA, CVSSD and MLAC.

The first award was executed through MOVA with a one-year term from July 1, 2022 through June 30, 2023 with a maximum obligation of \$964,233, which was renewed annually through June 30, 2025 with a combined three-year maximum obligation of \$2,549,133. The contract provided funding totaling \$854,479 and \$983,589, respectively, for the years ended September 30, 2024 and 2023.

The second award was executed through CVSSD with a maximum three-year budget of \$577,224 for the project period ended September 30, 2022. The award from CVSSD was renewed for a two-year term from October 1, 2022 through September 30, 2024 with additional funding of \$355,496. The contract was amended to extend the term of the award through June 30, 2025. The contract provided funding totaling \$104,372 and \$198,062, respectively, for the years ended September 30, 2024 and 2023.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

(Continued)

NOTE 8 (Continued)

The third award was executed through MLAC with one-year contracts renewed each year for the period of July through June. The contract provided funding totaling \$421,526 and \$554,509, respectively, for the years ended September 30, 2024 and 2023.

Total revenue received through DOJ funded programs was \$2,749,932 and \$2,938,952 for the years ended September 30, 2024 and 2023, respectively. Four new DOJ awards were approved in 2024 with aggregate maximum budgets totaling \$2,073,240. As of September 30, 2024 and 2023, the aggregate conditional funding remaining on the above awards was \$1,968,797 and \$3,132,121, respectively.

NOTE 9 DONATED GOODS AND SERVICES

Volunteers, employees and other organizations contribute goods and services to VRLC in support of its direct program services and mission. The value of these goods and services is as follows for the years ended September 30, 2024 and 2023:

<u>Description</u>	<u>2024</u>	<u>2023</u>
Pro Bono Legal Services	\$645,738	\$588,081
Other Goods and Services	-	<u>17,500</u>
Total	<u>\$645,738</u>	<u>\$605,581</u>

Contributed legal services are provided by licensed attorneys and professionals related to its direct client services program, technical assistance program as well as in an administrative capacity to the management of VRLC. As more fully detailed in Note 2, VRLC accomplishes its mission through the work of attorneys who volunteer their time and services to provide legal counsel, representation, education and organization support to victims of domestic violence and sexual abuse.

VRLC obtained actual pro bono legal service hours with applicable billing rates from participating volunteer firms. VRLC values pro bono services using conservative rates that enable consistent reporting for comparable levels of assistance, with hourly rates ranging from \$300 - \$400 for legal counsel and representation. VRLC also tracks and recognizes the donated services using rates that are approved by federal and state funding agencies as eligible contributions for matching requirements when applicable.

NOTE 10 EMPLOYEE RETIREMENT PLAN

VRLC has established a defined contribution retirement plan (the "Plan") under IRC Section 403(b) covering all benefit eligible employees. 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 \$39,036 and \$38,063 to the Plan during fiscal years 2024 and 2023, respectively, which are included in *Employee Benefits* in the accompanying Statements of Functional Expenses.

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

*(Continued)*

NOTE 11    CONCENTRATION OF CREDIT RISK

**Cash:**

Victim Rights Law Center is subject to concentrations in credit risk relating primarily to cash. The Organization's cash is held in major financial institutions; however, at certain times during the year, cash balances may exceed the insured amounts. As of September 30, 2023, VRLC had \$1,105,795 in excess of FDIC limits. The Organization mitigated the risk by establishing an insured sweep account and as of September 30, 2024 there were no uninsured cash balances.

**Grant Revenue and Grants Receivable:**

As disclosed in Note 8, substantially all of the support from government grants and contracts are under grants and reimbursement arrangements which are funded directly and indirectly by the U.S. Department of Justice, which includes passthrough funding through state agencies. The U.S. Department of Justice accounts for approximately 77-83% of total support (excluding inkind donations) and substantially all receivables for the years presented.

VRLC is the recipient of government funded grants which are subject to an annual renewal process; therefore, while the Organization is a long-time grantee with anticipated continued funding, future funding is not guaranteed. These contracts are subject to possible audit by the appropriate government agencies. 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, 2024 and 2023, or on its change in net assets for the years then ended.

NOTE 12    LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of September 30, 2024 and 2023 which are available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year of the Statements of Financial Position date or because the governing board has set aside the funds for a specific use or when restricted by donors for purposes more limited than general expenditures.

	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash	\$1,413,255	\$1,353,210
Grants Receivable	409,946	309,593
Contributions and Sponsorships Receivable	-	55,267
Program Services Receivable	<u>16,340</u>	<u>37,991</u>
Total Financial Assets Available to Meet General Expenditures Within One Year	<u>\$1,839,541</u>	<u>\$1,756,061</u>

As part of the Organization's liquidity management, the Board of Directors has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's cash flows have seasonal variations during the year attributable to billing for program services, which are invoiced monthly, as well as the timing of its special fundraising event. In the event of an unanticipated liquidity need, VRLC could draw upon the \$200,000 available line-of-credit (see Note 5 for more information on the line-of-credit).

VICTIM RIGHTS LAW CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

*(Continued)*

NOTE 12 *(Continued)*

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities of operating its program, as described in Note 2, as well as the conduct of services undertaken to support those activities to be general expenditures.

NOTE 13 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through February 12, 2025, the date which the financial statements were available for issue and, other than the renewal of the line-of-credit as disclosed in Note 5, noted no events which met the recognition or disclosure criteria.