

Pathways for Change, Inc.

*Financial Statements as of and for the Years
Ended June 30, 2015 and 2014 and
Independent Auditors' Report*

PATHWAYS FOR CHANGE, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pathways for Change, Inc.
Worcester, Massachusetts

We have audited the accompanying financial statements of Pathways for Change, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Pathways for Change, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30 2015, on our consideration of Pathways for Change, 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 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 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 Pathways for Change, Inc.'s internal control over financial reporting and compliance.

Stowe & Degon LLC

September 30, 2015

PATHWAYS FOR CHANGE, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 157,414	\$ 151,071
Accounts receivable:		
Due from grantors	111,515	78,385
Prepaid expenses	18,981	29,119
Security deposits	<u>5,385</u>	<u>5,385</u>
Total Current Assets	<u>293,295</u>	<u>263,960</u>
PROPERTY AND EQUIPMENT:		
Office furniture and equipment	107,247	89,369
Accumulated depreciation	<u>(69,309)</u>	<u>(54,963)</u>
Total Property and Equipment	<u>37,938</u>	<u>34,406</u>
Total Assets	<u>\$ 331,233</u>	<u>\$ 298,366</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 19,393	\$ 10,133
Accrued expenses	<u>49,543</u>	<u>42,284</u>
Total Current Liabilities	<u>68,936</u>	<u>52,417</u>
NET ASSETS		
Unrestricted	260,397	235,949
Temporarily restricted	<u>1,900</u>	<u>10,000</u>
Total Net Assets	<u>262,297</u>	<u>245,949</u>
Total Liabilities and Net Assets	<u>\$ 331,233</u>	<u>\$ 298,366</u>

See notes to financial statements.

PATHWAYS FOR CHANGE, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
SUPPORT, FEES AND GRANTS AND REVENUE:			
Support:			
United Way of North Central Massachusetts	\$ 34,000	\$ -	\$ 34,000
United Way - other	6,653	-	6,653
Contributions	55,130	31,000	86,130
Special events - net of related expenses of \$11,272	39	-	39
In-kind contributions:			
Volunteer services - counseling and advocacy	143,077	-	143,077
Rent	7,950	-	7,950
Net assets released from restriction:			
Satisfaction of program restrictions	39,100	(39,100)	-
Total Support	<u>285,949</u>	<u>(8,100)</u>	<u>277,849</u>
Fees and Grants:			
Department of Public Health	517,898	-	517,898
Victims of Crime Act	185,016	-	185,016
Executive Office of Public Safety	67,398	-	67,398
Other	58,104	-	58,104
Total Fees and Grants	<u>828,416</u>	<u>-</u>	<u>828,416</u>
Revenue:			
Agency fees	1,625	-	1,625
Interest income	603	-	603
Miscellaneous	1,980	-	1,980
Total Revenue	<u>4,208</u>	<u>-</u>	<u>4,208</u>
Total Support, Fees and Grants and Revenue	<u>1,118,573</u>	<u>(8,100)</u>	<u>1,110,473</u>
EXPENSES:			
Program services	940,945	-	940,945
Management and general	139,389	-	139,389
Fundraising	13,791	-	13,791
Total Expenses	<u>1,094,125</u>	<u>-</u>	<u>1,094,125</u>
Change in Net Assets	24,448	(8,100)	16,348
Net Assets, Beginning of Year	235,949	10,000	245,949
Net Assets, End of Year	<u>\$ 260,397</u>	<u>\$ 1,900</u>	<u>\$ 262,297</u>

See notes to financial statements.

PATHWAYS FOR CHANGE, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
SUPPORT, FEES AND GRANTS AND REVENUE:			
Support:			
United Way of North Central Massachusetts	\$ 31,150	\$ -	\$ 31,150
United Way - other	8,447	-	8,447
Contributions	56,130	25,000	81,130
Special events - net of related expenses of \$10,426	3,282	-	3,282
In-kind contributions:			
Volunteer services - counseling and advocacy	136,254	-	136,254
Rent	7,950	-	7,950
Net assets released from restriction:			
Satisfaction of program restrictions	31,673	(31,673)	-
Total Support	<u>274,886</u>	<u>(6,673)</u>	<u>268,213</u>
Fees and Grants:			
Department of Public Health	491,994	-	491,994
Victims of Crime Act	181,452	-	181,452
Executive Office of Public Safety	43,908	-	43,908
Total Fees and Grants	<u>717,354</u>	<u>-</u>	<u>717,354</u>
Revenue:			
Agency fees	1,300	-	1,300
Interest income	361	-	361
Miscellaneous	1,080	-	1,080
Total Revenue	<u>2,741</u>	<u>-</u>	<u>2,741</u>
Total Support, Fees and Grants and Revenue	<u>994,981</u>	<u>(6,673)</u>	<u>988,308</u>
EXPENSES:			
Program services	842,499	-	842,499
Management and general	122,378	-	122,378
Fundraising	18,563	-	18,563
Total Expenses	<u>983,440</u>	<u>-</u>	<u>983,440</u>
Change in Net Assets	11,541	(6,673)	4,868
Net Assets, Beginning of Year	224,408	16,673	241,081
Net Assets, End of Year	<u>\$ 235,949</u>	<u>\$ 10,000</u>	<u>\$ 245,949</u>

See notes to financial statements.

PATHWAYS FOR CHANGE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2015

	Program Services	Management and General	Fundraising	Total
PAYROLL AND RELATED EXPENSES:				
Payroll	\$ 509,366	\$ 57,925	\$ 8,275	\$ 575,566
Employee benefits	47,364	5,947	832	54,143
Payroll taxes	53,966	6,705	933	61,604
In-kind/volunteer services	117,235	25,842	-	143,077
Total payroll and related expenses	<u>727,931</u>	<u>96,419</u>	<u>10,040</u>	<u>834,390</u>
OPERATING EXPENSES:				
Professional fess and consultants	22,821	19,136	1,000	42,957
Training and travel	21,890	913	124	22,927
Direct program costs	20,691	83	459	21,233
Program support	48,346	11,951	553	60,850
Occupancy expenses	78,275	9,523	1,334	89,132
Occupancy expenses in-kind	7,950	-	-	7,950
Interest and bank charges	-	220	120	340
Total operating expenses	<u>199,973</u>	<u>41,826</u>	<u>3,590</u>	<u>245,389</u>
Total expenses before depreciation	927,904	138,245	13,630	1,079,779
Depreciation	13,041	1,144	161	14,346
Total expenses	<u>\$ 940,945</u>	<u>\$ 139,389</u>	<u>\$ 13,791</u>	<u>\$ 1,094,125</u>

See notes to financial statements.

PATHWAYS FOR CHANGE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2014

	Program Services	Management and General	Fundraising	Total
PAYROLL AND RELATED EXPENSES:				
Payroll	\$ 432,477	\$ 54,554	\$ 8,684	\$ 495,715
Employee benefits	46,037	6,152	986	53,175
Payroll taxes	35,129	4,722	752	40,603
In-kind/volunteer services	119,970	16,284	-	136,254
Total payroll and related expenses	<u>633,613</u>	<u>81,712</u>	<u>10,422</u>	<u>725,747</u>
OPERATING EXPENSES:				
Professional fess and consultants	20,221	15,250	1,132	36,603
Training and travel	32,861	571	77	33,509
Direct program costs	19,323	1,197	855	21,375
Program support	37,569	12,151	4,089	53,809
Occupancy expenses	75,390	9,929	1,556	86,875
Occupancy expenses in-kind	7,950	-	-	7,950
Interest and bank charges	-	-	182	182
Total operating expenses	<u>193,314</u>	<u>39,098</u>	<u>7,891</u>	<u>240,303</u>
Total expenses before depreciation	826,927	120,810	18,313	966,050
Depreciation	<u>15,572</u>	<u>1,568</u>	<u>250</u>	<u>17,390</u>
Total expenses	<u>\$ 842,499</u>	<u>\$ 122,378</u>	<u>\$ 18,563</u>	<u>\$ 983,440</u>

See notes to financial statements.

PATHWAYS FOR CHANGE, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 16,348	\$ 4,868
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,346	17,390
(Increase) decrease in:		
Accounts receivable - due from grantors	(33,130)	11,215
Prepaid expenses	10,138	2,375
Increase (decrease) in:		
Accounts payable	9,260	(3,735)
Accrued expenses	7,259	(5,880)
	<u>24,221</u>	<u>26,233</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	<u>(17,878)</u>	<u>(15,531)</u>
Net cash used for investing activities	<u>(17,878)</u>	<u>(15,531)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on short-term debt	<u>-</u>	<u>(5,000)</u>
Net cash used for financing activities	<u>-</u>	<u>(5,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,343	5,702
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>151,071</u>	<u>145,369</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 157,414</u>	<u>\$ 151,071</u>
SUPPLEMENTAL CASH FLOWS INFORMATION:		
Cash paid during year for interest	<u>\$ 4</u>	<u>\$ 1</u>

See notes to financial statements.

PATHWAYS FOR CHANGE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

1. ORGANIZATION

Pathways for Change, Inc. (the “Organization” or “PFC”) was founded in 1973. The Organization’s mission is to provide quality and multicultural services to those whose lives have been impacted by sexual violence and to provide education geared toward ending violence in the Central Massachusetts area. The Organization receives its funding from the Federal Government, the Commonwealth of Massachusetts, the United Way of North Central Massachusetts, the United Way of Southbridge, Sturbridge and Charlton and grants from local foundations.

The Organization’s programs consist of the following:

- ***The Multicultural and Multilingual Counseling and Advocacy Program*** – supported in part by the Massachusetts Department of Public Health, a VOCA grant administered by the Massachusetts Office of Victims’ Assistance, and a VAWA grant administered by the Massachusetts Office of Safety & Security, provides direct supportive services and counseling to survivors of, and those directly affected by, sexual violence throughout 47 cities and towns in Central Massachusetts. These free and confidential services are offered to any individual over the age of 10 and are offered in English, Spanish, and American Sign Language. Services include a 24-hour hotline, medical accompaniment and advocacy, court accompaniment, safety planning, and group and individual support counseling.
- ***The Deaf Survivors Programs (DSP)*** – born through a collaboration of three agencies, bringing together expertise and experience in survivors’ services, prevention and education, the deaf community and culture, and the deaf independent living movement. This program, built within the structure of the Organization, as the lead agency, and based on the expertise and experience of Our Deaf Sisters’ Center and The Deaf/Hard of Hearing Independent Living Program of The Center for Living and Working, established the first culturally appropriate and accessible counseling and advocacy program for deaf survivors of sexual assault, sexual abuse, and domestic violence in the Commonwealth of Massachusetts.
- ***The Sexual Assault Youth Education (SAYE) Program*** – supported by the Massachusetts Department of Health, the United Way of North Central Massachusetts, the United Way of Southbridge, Sturbridge and Charlton and several private foundations. Operating throughout Central Massachusetts in cooperation with local school systems, the program uses a four-level, social ecological model developed by the Center for Disease Control to better explain sexual violence and potential strategies for prevention. This model considers the complex interplay between individual, relationship, community, and societal factors, and allows the Organization to address risks and protective factors from multiple domains. The SAYE program has incorporated the development of comprehensive prevention strategies through a continuum of activities that address all levels of the social ecological model.
- ***The Males Advocating Change (MAC) Program*** – works to develop the peer leadership potential of young males in addressing the male culture of violence, and particularly sexual violence towards women and children. Often programs focus on how women and girls can avoid abuse by boyfriends or husbands or sexual assault by strangers or acquaintances. While this work is valuable, these are risk-reduction, not prevention strategies: they teach women and girls how to avoid victimization, but they do not work to reduce the number of males who perpetrate violence.

1. ORGANIZATION (CONTINUED)

Capitalizing on young males identified through exposure to the SAYE program, MAC works to engage middle school, high school, and college aged males throughout Central Massachusetts in the primary prevention of sexual and dating violence, harassment, and bullying. The training is focused on an innovative "bystander" model that empowers each young man to take an active role in promoting a positive peer culture.

The overall goal of the Organization's prevention effort is to change social norms within the community to reduce the perpetration of sexual violence. Activities are organized around three objectives: 1) Promotion of healthy, respectful, developmentally-appropriate relationships and sexuality based on the human rights of sexual autonomy and bodily integrity, 2) Promotion of community-wide responsibility for consistently supportive responses to survivors and for holding abusers accountable, 3) Sexual assault prevention community organizing and leadership utilizing culturally-appropriate strategies of community development, education, mobilization and professional training.

As part of an overall strategy to reduce the incidence of sexual violence, activities reflect current principles of effective primary prevention strategies. Rather than focusing on limiting negative behavior and experiences, the Organization focuses on building community resiliency and protective factors within the general adolescent community and specific sub-populations.

- ***The Youth Access to Support and Services Project (YASS)*** – In 2015, the Organization, The Boston Area Rape Crisis Center and the Center for Hope and Healing received funding from the Massachusetts Attorney General's Office to create the Youth Access to Support and Services Project (YASS). Through YASS, the Organization is able to provide specialized services to adolescents in order to reduce the negative mental health impacts of sexual violence.

Adolescents experience the highest rates of sexual violence in the country, yet they are a population least likely to seek services after an assault. Fear of retaliation, judgement, or simply not being believed keeps many adolescent survivors from ever coming forward. YASS creates safe spaces for adolescent survivors and for all young people by providing professional trainings and technical assistance to youth serving organizations, schools, and colleges. YASS trainings help professionals recognize sexual violence, respond appropriately, and refer youth to local rape crisis centers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting – The Organization prepares its financial statements on the accrual method of accounting in accordance with U.S. generally accepted accounting principles. Revenue from reimbursement type grants is recognized when the related service is provided. Contributions are recorded in accordance with donor stipulations when received. Expenses are recognized as the obligations are incurred versus when paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation – The net assets of the Organization and changes therein are reported in three net assets categories as follows:

Unrestricted Net Assets – Included in unrestricted net assets are amounts that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets – Temporarily restricted net assets include amounts resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted Net Assets – Permanently restricted net assets are amounts resulting from contributions and other inflows of assets whose use by the Organization is restricted by donor-imposed stipulation that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization does not have any permanently restricted net assets.

Cash and cash equivalents – Cash and cash equivalents include cash on hand and money market balances at financial institutions which may exceed federally insured limits. The Organization has not experienced, nor does it anticipate, any losses in such accounts.

Due from Grantors – The amounts due from grantors represent revenue contracted for the current year that was not received prior to June 30, 2015 and 2014. A provision for doubtful accounts has not been established as management considers all amounts to be collectible.

Property and Equipment – Property and equipment are recorded at cost. The Organization has maintained a capitalization policy for assets over \$2,500. Items not meeting the capitalization criteria are expensed in the year of acquisition. Depreciation of property and equipment is computed utilizing the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years.

In-kind Contributions – Donated materials and services are reflected as contributions and expenses in the accompanying statements at their estimated values on the date of receipt.

Donated Property and Equipment – Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization releases temporarily restricted net assets to unrestricted net assets at that time.

Promises to Give – Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation – Expenses by function have been allocated among program and supporting services classifications on the basis of estimates made by the Organizations’ management.

Advertising – Advertising costs are expensed as incurred. Advertising costs in 2015 and 2014 amounted to \$3,195 and \$4,855, respectively.

Income Tax Status – The Organization 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. The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within the Internal Revenue Code requirements.

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization’s financial condition, reported activity, or cash flows. The Organization is subject to audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2011.

Use of Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – The Organization has evaluated all subsequent events through September 30, 2015, the date the financial statements were available to be issued.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2015	2014
Capital improvements	\$ -	\$ 10,000
Medical accompaniment	<u>1,900</u>	<u>-</u>
Total	<u>\$ 1,900</u>	<u>\$ 10,000</u>

4. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2015 and 2014 by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors as follows:

	2015	2014
Capital improvements	\$ 15,000	\$ 10,000
Advocacy services	21,000	21,422
Medical accompaniment	3,100	-
Other	<u>-</u>	<u>251</u>
Total	<u>\$ 39,100</u>	<u>\$ 31,673</u>

5. SHORT-TERM DEBT

During 2015, the Organization entered into a line of credit agreement with a financial institution. The agreement allows for borrowing of up to \$35,000 as a working capital line of credit, which is due on demand with interest at 1% above prime rate (4.25% at June 30, 2015). The line of credit is secured by all assets of the Organization and is reviewed annually. There were no borrowings on the line of credit agreement as of June 30, 2015 and 2014.

Prior to the 2015, the Organization had a line of credit agreement with another financial institution with similar terms as the 2015 agreement with the exception of the interest rate charged. Under that agreement the interest charged was 1.5% above prime rate.

6. RETIREMENT PLAN

After one year of employment, all employees who work at least thirty hours per week are eligible to participate in the Organization's contributory retirement plan. Employees are allowed to make salary reduction contributions. Five percent (5%) of eligible employee's annual compensation is contributed into the retirement fund. Contributions to the retirement plan amounted to \$17,397 and \$17,862 for 2015 and 2014, respectively.

7. IN-KIND CONTRIBUTIONS

The Organization has recognized and recorded the following in-kind contributions as both support and program services as follows for the year ended June 30:

	2015	2014
Payroll - counseling, advocacy, and administration	\$ 143,077	\$ 136,254
Rent	<u>7,950</u>	<u>7,950</u>
	<u>\$ 151,027</u>	<u>\$ 144,204</u>

The Organization received 11,923 and 11,355 hours during 2015 and 2014, respectively, in volunteer services valued at \$12 per hour at June 30, 2015 and 2014.

8. COMMITMENTS

Effective August 1, 2014, the Organization entered into a five-year lease agreement for office space in Worcester ending July 31, 2019. The annual base rent of \$71,821 is payable in monthly installments of \$5,985, in advance, on or before the first business day of each and every month of the term. Base rent is scheduled to increase 3% annually. The Organization may extend the lease term for all or a portion of the leased space for two successive renewal terms of five years at the Organization's sole determination.

Prior to August 1, 2014, the Organization leased office space in Worcester under a five-year and a two-year term lease agreements ending July 1, 2014. The annual base rent was payable in monthly installments of \$5,325, in advance, on or before the first business day of each and every month of the term.

Total office space expense under these leases amounted to \$71,647 and \$69,560 in 2015 and 2014, respectively.

Effective February 15, 2006, the Organization leased office space in Fitchburg under a month-to-month lease agreement. Monthly rent is \$200. Total office space expense under this lease agreement amounted to \$2,400 in 2015 and 2014.

Effective February 2014, the Organization leased office equipment under an operating lease expiring February 2017. The lease agreement requires monthly payments of \$360.

During 2011, the Organization leased office equipment under an operating lease expiring May 2014. During 2013, the Organization entered into an office equipment service agreement expiring July 2014.

The total operating expense associated with the office equipment and service agreement leases was \$4,317 and \$3,989 in 2015 and 2014, respectively.

Future minimum lease payments required to be made in accordance with existing operating lease agreements at June 30, 2015 are as follows:

	Amount
2016	\$ 78,113
2017	78,888
2018	78,920
2019	80,639
2020	6,736

9. CONCENTRATION OF CREDIT RISK

The Organization recognizes funding from the following major sources at June 30:

	2015		2014	
	% of Total Revenue	% of Total Due from Grantors	% of Total Revenue	% of Total Due from Grantors
Department of Public Health	44%	37%	50%	49%
Victims of Crime Act	17%	28%	18%	36%

10. RELATED-PARTY TRANSACTIONS

During fiscal year 2014, the Organization paid \$1,049 for computer services and/or equipment provided by a company whose owner is the son of the Organization's Director of Operations. The purchase of computer equipment and services is subject to a formal bid and decision process as required by the Organization's procurement policy. Management selects vendors and bids that are believed to be of most benefit and value to the Organization.

During fiscal year 2014, a member of the Organization's Board of Directors provided clinical supervision services to interns and to the Organization's Coordinator for the Deaf Surviving Survivors programs. Total services paid to the Board of Director member amounted to \$3,045 in 2014.

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