



**FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT**

**BOSTON AREA RAPE CRISIS CENTER, INC.**

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JUNE 30, 2014 AND 2013**

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Where Every Client Is A Valued Client **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Boston Area Rape Crisis Center, Inc.:

**Report on the Financial Statements**

We have audited the accompanying financial statements of Boston Area Rape Crisis Center, Inc. (a Massachusetts corporation, not for profit) which comprise the statements of financial position as of June 30, 2014 and 2013, 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 Boston Area Rape Crisis Center, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Alexander, Aronson, Finning & Co., P.C.*

Boston, Massachusetts  
November 13, 2014

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2014 AND 2013**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 290,851	\$ 377,563
Certificate of deposit	214,726	214,620
Accounts receivable	422,971	233,728
Prepaid expenses	<u>16,063</u>	<u>23,480</u>
Total current assets	944,611	849,391
<b>INTANGIBLE ASSETS</b> , net of accumulated amortization	-	467
<b>PROPERTY AND EQUIPMENT</b> , net of accumulated depreciation	<u>26,372</u>	<u>28,919</u>
Total assets	<u><u>\$ 970,983</u></u>	<u><u>\$ 878,777</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 85,080	\$ 77,536
Accrued expenses	<u>117,224</u>	<u>106,221</u>
Total current liabilities	<u>202,304</u>	<u>183,757</u>
<b>NET ASSETS:</b>		
Unrestricted:		
Operating	573,429	575,374
Board designated	35,190	35,190
Property and equipment	<u>26,372</u>	<u>29,386</u>
Total unrestricted	634,991	639,950
Temporarily restricted	<u>133,688</u>	<u>55,070</u>
Total net assets	<u>768,679</u>	<u>695,020</u>
Total liabilities and net assets	<u><u>\$ 970,983</u></u>	<u><u>\$ 878,777</u></u>

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

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014			2013		
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>OPERATING REVENUES AND SUPPORT:</b>						
Special Events:						
Contributions	\$ 348,678	\$ 34,688	\$ 383,366	\$ 330,308	\$ -	\$ 330,308
Event revenue	142,013	-	142,013	107,650	-	107,650
	<u>490,691</u>	<u>34,688</u>	<u>525,379</u>	<u>437,958</u>	<u>-</u>	<u>437,958</u>
Less - direct expenses	173,556	-	173,556	106,548	-	106,548
Total special events, net	<u>317,135</u>	<u>34,688</u>	<u>351,823</u>	<u>331,410</u>	<u>-</u>	<u>331,410</u>
Program service fees and contracts	1,458,198	-	1,458,198	1,455,946	-	1,455,946
Donated goods and services	551,292	-	551,292	551,490	-	551,490
Grants and contributions	244,545	171,070	415,615	211,204	97,430	308,634
Other	48,637	-	48,637	27,738	-	27,738
Net assets released from program restrictions	166,070	(166,070)	-	97,430	(97,430)	-
Total operating revenues and support	<u>2,785,877</u>	<u>39,688</u>	<u>2,825,565</u>	<u>2,675,218</u>	<u>-</u>	<u>2,675,218</u>
<b>OPERATING EXPENSES:</b>						
Program services:						
Client Services, including \$279,264 and \$273,978 of donated services for the years ended June 30, 2014 and 2013, respectively	1,390,051	-	1,390,051	1,289,263	-	1,289,263
Community Engagement and Prevention Services, including \$246,204 and \$251,688 of donated services for the years ended June 30, 2014 and 2013, respectively	812,657	-	812,657	870,233	-	870,233
Total program services	<u>2,202,708</u>	<u>-</u>	<u>2,202,708</u>	<u>2,159,496</u>	<u>-</u>	<u>2,159,496</u>
Supporting services:						
General and administrative	215,350	-	215,350	225,530	-	225,530
Development	379,848	-	379,848	332,449	-	332,449
Total supporting services	<u>595,198</u>	<u>-</u>	<u>595,198</u>	<u>557,979</u>	<u>-</u>	<u>557,979</u>
Total operating expenses	<u>2,797,906</u>	<u>-</u>	<u>2,797,906</u>	<u>2,717,475</u>	<u>-</u>	<u>2,717,475</u>
Changes in net assets from operations	<u>(12,029)</u>	<u>39,688</u>	<u>27,659</u>	<u>(42,257)</u>	<u>-</u>	<u>(42,257)</u>
<b>NON-OPERATING REVENUES:</b>						
Capital grants and contributions	-	46,000	46,000	-	7,640	7,640
Net assets released from capital restrictions	7,070	(7,070)	-	7,640	(7,640)	-
Total non-operating revenues	<u>7,070</u>	<u>38,930</u>	<u>46,000</u>	<u>7,640</u>	<u>-</u>	<u>7,640</u>
Changes in net assets	<u>(4,959)</u>	<u>78,618</u>	<u>73,659</u>	<u>(34,617)</u>	<u>-</u>	<u>(34,617)</u>
<b>NET ASSETS, beginning of year</b>	<u>639,950</u>	<u>55,070</u>	<u>695,020</u>	<u>674,567</u>	<u>55,070</u>	<u>729,637</u>
<b>NET ASSETS, end of year</b>	<u>\$ 634,991</u>	<u>\$ 133,688</u>	<u>\$ 768,679</u>	<u>\$ 639,950</u>	<u>\$ 55,070</u>	<u>\$ 695,020</u>

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

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 73,659	\$ (34,617)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	13,034	20,160
Capital grants and contributions	(46,000)	(7,640)
Changes in operating assets and liabilities:		
Accounts receivable	(189,243)	71,119
Prepaid expenses	7,417	(9,364)
Accounts payable	7,544	3,337
Accrued expenses	11,003	19,006
Net cash provided by (used in) operating activities	<u>(122,586)</u>	<u>62,001</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(10,020)	(10,614)
Purchase of certificate of deposit	(214,726)	(214,647)
Proceeds from maturity of certificate of deposit	214,620	214,541
Net cash used in investing activities	<u>(10,126)</u>	<u>(10,720)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Capital grants and contributions	46,000	7,640
<b>NET INCREASE (DECREASE) IN CASH</b>	(86,712)	58,921
<b>CASH, beginning of year</b>	<u>377,563</u>	<u>318,642</u>
<b>CASH, end of year</b>	<u>\$ 290,851</u>	<u>\$ 377,563</u>

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

**BOSTON AREA RAPE CRISIS CENTER, INC.**

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

(With Summarized Comparative Totals for the Year Ended June 30, 2013)

	2014					2013	
	PROGRAM SERVICES			SUPPORTING SERVICES			TOTAL
	CLIENT SERVICES	COMMUNITY ENGAGEMENT AND PREVENTION SERVICES	TOTAL PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	DEVELOPMENT	TOTAL	
<b>OPERATING EXPENSES:</b>							
Salaries and related:							
Salaries	\$ 654,417	\$ 343,717	\$ 998,134	\$ 115,996	\$ 172,273	\$ 1,286,403	\$ 1,225,064
Donated services	279,264	246,204	525,468	-	-	525,468	525,666
Employee benefits	95,376	49,466	144,842	18,442	22,734	186,018	184,452
Payroll taxes	54,524	30,014	84,538	8,580	15,152	108,270	105,641
Total salaries and related	<u>1,083,581</u>	<u>669,401</u>	<u>1,752,982</u>	<u>143,018</u>	<u>210,159</u>	<u>2,106,159</u>	<u>2,040,823</u>
Program costs:							
Counseling and supervision	69,635	181	69,816	1	2	69,819	71,598
Volunteer expenses	19,230	5,501	24,731	1,873	1,537	28,141	26,325
Communications	337	15,287	15,624	1,043	-	16,667	16,593
Program supplies	7,155	6,011	13,166	-	-	13,166	10,940
Total program costs	<u>96,357</u>	<u>26,980</u>	<u>123,337</u>	<u>2,917</u>	<u>1,539</u>	<u>127,793</u>	<u>125,456</u>
Occupancy:							
Rent	62,031	32,015	94,046	8,908	15,331	118,285	89,576
Donated rent	13,543	6,989	20,532	1,945	3,347	25,824	25,824
Depreciation and amortization	6,835	3,528	10,363	982	1,689	13,034	20,160
Other	157	81	238	23	39	300	300
Total occupancy	<u>82,566</u>	<u>42,613</u>	<u>125,179</u>	<u>11,858</u>	<u>20,406</u>	<u>157,443</u>	<u>135,860</u>
Other:							
Consultants	74,860	47,849	122,709	31	100,540	223,280	246,633
Printing and postage	5,364	2,136	7,500	856	19,393	27,749	18,626
Audit and accounting	-	-	-	26,500	-	26,500	27,149
Office expenses	7,730	4,121	11,851	5,709	8,594	26,154	27,914
Telephone and internet	13,066	7,190	20,256	1,744	3,002	25,002	28,681
Trainings and conferences	12,937	2,219	15,156	7,001	247	22,404	9,685
Credit card processing	-	-	-	-	13,692	13,692	14,011
Technical support	6,477	3,343	9,820	930	1,601	12,351	16,929
Insurance	1,728	-	1,728	9,110	-	10,838	6,780
Travel	3,140	4,226	7,366	880	67	8,313	5,529
Miscellaneous	87	1,465	1,552	4,121	75	5,748	3,864
Minor equipment and maintenance	2,158	1,114	3,272	310	533	4,115	5,390
Legal	-	-	-	365	-	365	2,185
Recruiting	-	-	-	-	-	-	1,960
Total other	<u>127,547</u>	<u>73,663</u>	<u>201,210</u>	<u>57,557</u>	<u>147,744</u>	<u>406,511</u>	<u>415,336</u>
Total operating expenses before general and administrative allocation	1,390,051	812,657	2,202,708	215,350	379,848	2,797,906	2,717,475
General and administrative allocation	<u>115,911</u>	<u>69,943</u>	<u>185,854</u>	<u>(215,350)</u>	<u>29,496</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>\$ 1,505,962</u>	<u>\$ 882,600</u>	<u>\$ 2,388,562</u>	<u>\$ -</u>	<u>\$ 409,344</u>	<u>\$ 2,797,906</u>	<u>\$ 2,717,475</u>

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

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>		
	<u>COMMUNITY ENGAGEMENT AND PREVENTION SERVICES</u>		<u>TOTAL PROGRAM SERVICES</u>	<u>GENERAL AND ADMINIS- TRATIVE</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
	<u>CLIENT SERVICES</u>					
<b>OPERATING EXPENSES:</b>						
Salaries and related:						
Salaries	\$ 563,498	\$ 383,843	\$ 947,341	\$ 123,536	\$ 154,187	\$ 1,225,064
Donated services	273,978	251,688	525,666	-	-	525,666
Employee benefits	80,398	59,191	139,589	21,668	23,195	184,452
Payroll taxes	49,300	33,006	82,306	10,387	12,948	105,641
Total salaries and related	<u>967,174</u>	<u>727,728</u>	<u>1,694,902</u>	<u>155,591</u>	<u>190,330</u>	<u>2,040,823</u>
Program costs:						
Counseling and supervision	71,205	393	71,598	-	-	71,598
Volunteer expenses	16,913	7,216	24,129	1,419	777	26,325
Communications	696	13,755	14,451	2,142	-	16,593
Program supplies	8,901	2,027	10,928	7	5	10,940
Total program costs	<u>97,715</u>	<u>23,391</u>	<u>121,106</u>	<u>3,568</u>	<u>782</u>	<u>125,456</u>
Occupancy:						
Rent	45,856	27,662	73,518	9,032	7,026	89,576
Donated rent	12,962	8,138	21,100	2,657	2,067	25,824
Depreciation and amortization	10,119	6,353	16,472	2,074	1,614	20,160
Other	151	95	246	30	24	300
Total occupancy	<u>69,088</u>	<u>42,248</u>	<u>111,336</u>	<u>13,793</u>	<u>10,731</u>	<u>135,860</u>
Other:						
Consultants	105,669	45,029	150,698	1,433	94,502	246,633
Printing and postage	986	6,430	7,416	432	10,778	18,626
Audit and accounting	-	-	-	27,149	-	27,149
Office expenses	9,006	5,767	14,773	6,404	6,737	27,914
Telephone and internet	14,271	9,440	23,711	2,796	2,174	28,681
Trainings and conferences	5,501	1,364	6,865	2,606	214	9,685
Credit card processing	-	-	-	-	14,011	14,011
Technical support	8,497	5,335	13,832	1,742	1,355	16,929
Insurance	1,500	-	1,500	5,280	-	6,780
Travel	2,656	1,905	4,561	609	359	5,529
Miscellaneous	170	11	181	3,610	73	3,864
Minor equipment and maintenance	2,885	1,585	4,470	517	403	5,390
Legal	2,185	-	2,185	-	-	2,185
Recruiting	1,960	-	1,960	-	-	1,960
Total other	<u>155,286</u>	<u>76,866</u>	<u>232,152</u>	<u>52,578</u>	<u>130,606</u>	<u>415,336</u>
Total operating expenses before general and administrative allocation	1,289,263	870,233	2,159,496	225,530	332,449	2,717,475
General and administrative allocation	<u>116,683</u>	<u>78,759</u>	<u>195,442</u>	<u>(225,530)</u>	<u>30,088</u>	<u>-</u>
Total operating expenses	<u>\$ 1,405,946</u>	<u>\$ 948,992</u>	<u>\$ 2,354,938</u>	<u>\$ -</u>	<u>\$ 362,537</u>	<u>\$ 2,717,475</u>

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



**BOSTON AREA RAPE CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

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

**OPERATIONS AND NONPROFIT STATUS**

Boston Area Rape Crisis Center, Inc. (BARCC) is a Massachusetts not-for-profit corporation founded in 1973. The mission of BARCC is to provide client services, which include free crisis counseling and advocacy services designed to empower, support and educate survivors of rape and sexual assault, their families and friends, and the professionals who work with them. BARCC's mission also includes providing community education to reduce the tolerance of sexual violence, increase understanding of the issues facing survivors, and change institutional policies and social norms to prevent sexual assault.

BARCC 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). BARCC is also exempt from state income taxes. Donors may deduct contributions made to BARCC within the IRC requirements.

**SIGNIFICANT ACCOUNTING POLICIES**

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

Fair Value Measurements

ASC Topic *Fair Value Measurements* establishes a framework for measuring fair value and expands disclosures about fair value measurements. This guidance only applies when the fair value measurement of assets and liabilities is required or permitted. BARCC has determined that none of its financial or nonfinancial assets or liabilities is measured at fair value, therefore the disclosure requirements do not currently apply.

Income Taxes

BARCC 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. BARCC has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2014 and 2013. BARCC's information returns are subject to examination by the Federal and state jurisdictions and generally remain open for the most recent three years.

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013  
(Continued)**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Certificate of Deposit

At June 30, 2014 and 2013, BARCC had a certificate of deposit with an initial maturity of five months, at an interest rate of .05%, and maturing on December 3, 2014 and February 6, 2014, respectively. Management reinvests the certificate of deposit upon maturity.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable at June 30, 2014 and 2013, consist of amounts due for program services provided. The allowance for doubtful accounts is based on historical collections. No allowance was deemed necessary at June 30, 2014 and 2013.

Property and Equipment and Depreciation

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the time of donation. Renewals and betterments are capitalized, while repairs and maintenance are expensed as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

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

Office equipment with a cost of \$19,665 at June 30, 2014 and 2013, and a net book value of \$4,158 and \$6,642 at June 30, 2014 and 2013, respectively, has been acquired with funds received from the Commonwealth of Massachusetts. The Commonwealth of Massachusetts retains a reversionary interest in these assets.

Revenue Recognition

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.

Program service fees and contract revenue are recorded as services are provided. Unrestricted grants and contributions are recorded as revenue when received or unconditionally pledged. Special events revenue is recognized in the year the event occurs. All other revenue is recorded when earned.

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.

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013  
(Continued)**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Donated Goods and Services

Volunteers and other organizations contribute services to BARCC in support of various aspects of its programs. Over one hundred volunteers provide a significant portion of the direct service in the Clinical Services and Community Engagement and Prevention Services programs. These services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the volunteers, agencies or by management. BARCC received \$525,468 and \$525,666 of volunteer services for the years ended June 30, 2014 and 2013, respectively. BARCC received \$25,824 of donated rent for the years ended June 30, 2014 and 2013 (see Note 6).

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.

Subsequent Events

Subsequent events have been evaluated through November 13, 2014, 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.

**(2) NET ASSETS**

Unrestricted Net Assets

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

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

**Board designated net assets** - reflect funds set aside by the Board of Directors to be used for new program development and infrastructure projects.

**Property and equipment net assets** - reflect and account for the activities relating to BARCC's property and equipment and intangible assets.

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013  
(Continued)**

**(2) NET ASSETS (Continued)**

**Temporarily Restricted Net Assets**

Temporarily restricted net assets include donor-restricted funds designated for a specific purpose or for future periods. These amounts are recorded as temporarily restricted net assets until they are expended for their designated purposes or the time restrictions expire. Temporarily restricted net assets at June 30, 2014 and 2013, are restricted for the following:

	<u>2014</u>	<u>2013</u>
Purpose	\$ 84,758	\$55,070
Capital	38,930	-
Time	<u>10,000</u>	<u>-</u>
	<u>\$133,688</u>	<u>\$55,070</u>

**(3) FUNDING**

A significant portion of the BARCC's program service fees and contracts revenue are earned from various departments of the Commonwealth of Massachusetts and the United States Department of Justice (DOJ).

	<u>% of Operating Revenues and Support</u>		<u>% of Accounts Receivable</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Massachusetts Department of Public Health	30%	33%	35%	37%
United States Department of Justice	8%	7%	16%	25%
Massachusetts Office for Victim Assistance	7%	9%	14%	19%

Payments to BARCC 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 BARCC as of June 30, 2014 and 2013, or on its changes in net assets for the years then ended.

**(4) PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Office equipment	\$ 83,479	\$ 80,529
Furniture	<u>32,246</u>	<u>25,176</u>
	115,725	105,705
Less - accumulated depreciation	<u>89,353</u>	<u>76,786</u>
Net property and equipment	<u>\$ 26,372</u>	<u>\$ 28,919</u>

Depreciation expense for the years ended June 30, 2014 and 2013, was \$12,567 and \$14,578, respectively.

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013  
(Continued)**

**(5) INTANGIBLE ASSETS**

Intangible assets consist of a corporate logo and a website design which were capitalized and amortized on a straight-line basis over five years. The assets placed into service in August, 2008, are as follows:

	<u>2014</u>	<u>2013</u>
Brand	\$12,322	\$12,322
Website	<u>15,590</u>	<u>15,590</u>
	27,912	27,912
Less - accumulated amortization	<u>27,912</u>	<u>27,445</u>
Net intangible assets	<u>\$ -</u>	<u>\$ 467</u>

Amortization expense for the years ended June 30, 2014 and 2013, was \$467 and \$5,582, respectively.

**(6) LEASES**

BARCC rents office space in Cambridge, Massachusetts, at \$4,867 per month, plus certain operating expenses, under a five-year lease which was to expire on September 30, 2014. In September, 2013, BARCC renegotiated the lease agreement to include additional office space and extended the term of the lease until September 30, 2018. The monthly rent expense increased to \$8,418 starting in October, 2013, and increases annually as defined in the agreement. Rent expense, including certain operating expenses, for this office space was \$90,677 and \$58,405 for the years ended June 30, 2014 and 2013, respectively.

BARCC leased a second office space in Cambridge, Massachusetts, under a forty-month lease agreement which was to expire on September 30, 2014. In April, 2014, BARCC was able to terminate the lease early at a cost of \$2,000. Rent expense for this office space during fiscal years 2014 and 2013 was \$22,783 and \$24,782, respectively. Monthly payments under the terms of the agreement were \$2,000, with annual increases of 3%.

BARCC operates a satellite office in Boston, Massachusetts, as a tenant-at-will. BARCC is required to make a monthly payment of \$75 to cover certain operating expenses of the office space. The fair value of the office space, less the operating costs payments for the years ended June 30, 2014 and 2013, was estimated to be \$25,824 annually (see Note 1). This office space is shown as donated rent in the accompanying statements of functional expenses for the years ended June 30, 2014 and 2013.

Remaining future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$105,688
2016	\$109,291
2017	\$114,095
2018	\$115,296
2019	\$ 28,824

**BOSTON AREA RAPE CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013  
(Continued)**

**(6) LEASES (Continued)**

BARCC leases office equipment under various operating leases expiring through March 25, 2017. Future minimum payments under these lease agreements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$2,832
2016	\$2,832
2017	\$2,124

**(7) RELATED PARTY TRANSACTIONS**

At June 30, 2014, BARCC's Board President and Board Treasurer are relatives. The Board of Directors is aware of this relationship.

During fiscal year 2014, the following transactions occurred with relatives of the Executive Director:

- Program evaluation consulting services were provided totaling \$1,000, which is included in consultants in the accompanying financial statements
- Architectural services were provided for fees totaling \$7,070, which is included in property and equipment in the accompanying financial statements.

Related party transactions are disclosed and approved in accordance with BARCC's conflict of interest policy.

**(8) LINE OF CREDIT**

BARCC has a \$100,000 line of credit with a local financial institution. Borrowings under the agreement are due on demand and interest is payable monthly at the bank's base lending rate of 3.25% at June 30, 2014 and 2013, plus 1%. The line of credit is secured by all business assets of BARCC. As of June 30, 2014 and 2013, there were no outstanding borrowings under this agreement.

**(9) PENSION PLAN**

BARCC has a defined contribution pension plan covering all eligible employees. All full-time employees are eligible to participate. BARCC did not make any contributions to the plan for the years ended June 30, 2014 and 2013.

**(10) CONCENTRATION OF CREDIT RISK**

BARCC maintains its cash balances and certificate of deposit in a Massachusetts bank. The Federal Deposit Insurance Corporation (FDIC) insures balances up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts. BARCC has not experienced any losses in the account. BARCC believes it is not exposed to any significant credit risk on its operating cash balance.

**(11) RECLASSIFICATION**

Certain amounts in the fiscal year 2013 financial statements have been reclassified to conform with the fiscal year 2014 presentation.