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BOSTON AREA RAPE CRISIS CENTER

dedicated to healing.
advocating for change.

FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

BOSTON AREA RAPE CRISIS CENTER, INC.

Contents
June 30, 2016 and 2015

AAFCPAs
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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, 2016 and 2015, 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, 2016 and 2015, 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
December 5, 2016

BOSTON AREA RAPE CRISIS CENTER, INC.

Statements of Financial Position
June 30, 2016 and 2015

Assets	**2016**	**2015**
Current Assets:		
Cash	$ 647,250	$ 518,048
Certificate of deposit	214,948	214,832
Accounts receivable	377,791	279,033
Prepaid expenses	15,181	23,231
Total current assets	1,255,170	1,035,144
Restricted Cash	70,000	10,000
Property and Equipment, net of accumulated depreciation	40,833	64,532
Total assets	$ 1,366,003	$ 1,109,676
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$ 105,809	$ 97,792
Accrued expenses	159,169	129,102
Deferred income	-	20,307
Total current liabilities	264,978	247,201
Net Assets:		
Unrestricted:		
Operating	949,002	739,065
Board designated	35,190	35,190
Property and equipment	40,833	64,532
Total unrestricted	1,025,025	838,787
Temporarily restricted	76,000	23,688
Total net assets	1,101,025	862,475
Total liabilities and net assets	$ 1,366,003	$ 1,109,676

BOSTON AREA RAPE CRISIS CENTER, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Operating Revenues and Support:						
Special Events:						
Contributions	$ 422,047	$ -	$ 422,047	$ 445,464	$ 13,688	$ 459,152
Event revenue	132,772	-	132,772	138,252	-	138,252
	554,819	-	554,819	583,716	13,688	597,404
Less - direct expenses	175,084	-	175,084	165,201	-	165,201
Total special events, net	379,735	-	379,735	418,515	13,688	432,203
Program service fees and contracts	1,972,051	-	1,972,051	1,665,887	-	1,665,887
Donated goods and services	487,494	-	487,494	456,473	-	456,473
Grants and contributions	324,266	78,000	402,266	237,894	63,500	301,394
Other	26,152	-	26,152	44,977	-	44,977
Net assets released from program restrictions	72,000	(72,000)	-	148,258	(148,258)	-
Net assets released from time restrictions	13,688	(13,688)	-	10,000	(10,000)	-
Total operating revenues and support	3,275,386	(7,688)	3,267,698	2,982,004	(81,070)	2,900,934
Operating Expenses:						
Program services:						
Client Services, including $272,289 and $265,823 of donated services for the years ended June 30, 2016 and 2015, respectively	1,859,365	-	1,859,365	1,585,949	-	1,585,949
Community Engagement and Prevention, including $162,825 and $154,609 of donated services for the years ended June 30, 2016 and 2015, respectively	500,495	-	500,495	590,764	-	590,764
Total program services	2,359,860	-	2,359,860	2,176,713	-	2,176,713
Supporting services:						
General and administrative	281,623	-	281,623	253,670	-	253,670
Development	447,665	-	447,665	386,755	-	386,755
Total supporting services	729,288	-	729,288	640,425	-	640,425
Total operating expenses	3,089,148	-	3,089,148	2,817,138	-	2,817,138
Changes in net assets from operations	186,238	(7,688)	178,550	164,866	(81,070)	83,796
Non-Operating Revenues:						
Capital grants and contributions	-	60,000	60,000	-	10,000	10,000
Net assets released from capital restrictions	-	-	-	38,930	(38,930)	-
Total non-operating revenues	-	60,000	60,000	38,930	(28,930)	10,000
Changes in net assets	186,238	52,312	238,550	203,796	(110,000)	93,796
Net Asset:						
Beginning of year	838,787	23,688	862,475	634,991	133,688	768,679
End of year	$ 1,025,025	$ 76,000	$ 1,101,025	$ 838,787	$ 23,688	$ 862,475

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, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Changes in net assets	$ 238,550	$ 93,796
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	23,699	20,772
Capital grants and contributions	(60,000)	(10,000)
Changes in operating assets and liabilities:		
Accounts receivable	(98,758)	143,938
Prepaid expenses	8,050	(7,168)
Accounts payable	8,017	12,712
Accrued expenses	30,067	11,878
Deferred income	(20,307)	20,307
Net cash provided by operating activities	129,318	286,235
Cash Flows from Investing Activities:		
Acquisition of property and equipment	-	(58,932)
Purchase of certificate of deposit	(214,948)	(214,832)
Restricted cash	(60,000)	(10,000)
Proceeds from maturity of certificate of deposit	214,832	214,726
Net cash used in investing activities	(60,116)	(69,038)
Cash Flows from Financing Activities:		
Capital grants and contributions	60,000	10,000
Net Change in Cash	129,202	227,197
Cash:		
Beginning of year	518,048	290,851
End of year	$ 647,250	$ 518,048

BOSTON AREA RAPE CRISIS CENTER, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Summarized Comparative Totals for the Year Ended June 30, 2015)

	2016						2015
	Program Services			Supporting Services			
	Client Services	Community Engagement and Prevention	Total Program Services	General and Administrative	Development	Total	Total
Operating Expenses:							
Salaries and related:							
Salaries	$ 909,031	$ 165,110	$ 1,074,141	$ 62,752	$ 245,792	$ 1,382,685	$ 1,230,379
Donated services	272,289	162,825	435,114	25,056	1,500	461,670	430,649
Contracted service	34,396	6,247	40,643	123,262	34,631	198,536	106,483
Employee benefits	89,618	33,151	122,769	6,728	17,256	146,753	171,538
Payroll taxes	76,775	13,836	90,611	5,213	20,599	116,423	114,606
Total salaries and related	1,382,109	381,169	1,763,278	223,011	319,778	2,306,067	2,053,655
Program costs:							
Counseling and supervision	67,163	498	67,661	63	-	67,724	73,888
Volunteer expenses	21,951	26,752	48,703	526	2,060	51,289	33,617
Communications	448	17,245	17,693	912	-	18,605	18,523
Program supplies	431	3,383	3,814	-	-	3,814	2,308
Total program costs	89,993	47,878	137,871	1,501	2,060	141,432	128,336
Occupancy:							
Rent	73,602	13,368	86,970	5,081	19,901	111,952	106,511
Donated rent	16,978	3,084	20,062	1,172	4,590	25,824	25,824
Depreciation	15,580	2,830	18,410	1,076	4,213	23,699	20,772
Other	82	15	97	6	23	126	301
Total occupancy	106,242	19,297	125,539	7,335	28,727	161,601	153,408
Other:							
Consultants	174,795	23,844	198,639	96	378	199,113	257,266
Office expenses	44,113	8,669	52,782	8,195	19,773	80,750	57,037
Printing and postage	1,844	2,905	4,749	228	39,545	44,522	32,376
Audit	-	-	-	30,600	-	30,600	26,500
Telephone and internet	19,436	3,980	23,416	1,082	4,238	28,736	21,740
Trainings and conferences	19,412	2,868	22,280	3,622	477	26,379	41,926
Credit card processing	-	-	-	-	25,471	25,471	19,821
Minor equipment and maintenance	11,562	2,100	13,662	1,276	4,031	18,969	11,306
Miscellaneous	3,983	7,090	11,073	2,515	2,152	15,740	3,028
Insurance	5,876	695	6,571	2,162	1,035	9,768	10,739
Total other	281,021	52,151	333,172	49,776	97,100	480,048	481,739
Total operating expenses before general and administrative allocation	1,859,365	500,495	2,359,860	281,623	447,665	3,089,148	2,817,138
General and administrative allocation	186,513	55,591	242,104	(281,623)	39,519	-	-
Total operating expenses	$ 2,045,878	$ 556,086	$ 2,601,964	$ -	$ 487,184	$ 3,089,148	$ 2,817,138

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, 2015

	Program Services			Supporting Services		
	Client Services	Community Engagement and Prevention	Total Program Services	General and Administrative	Development	Total
Operating Expenses:						
Salaries and related:						
Salaries	$ 692,302	$ 233,113	$ 925,415	$ 100,559	$ 204,405	$ 1,230,379
Donated services	265,823	154,609	420,432	10,217	-	430,649
Contracted service	8,500	2,867	11,367	53,452	41,664	106,483
Employee benefits	87,997	44,268	132,265	21,153	18,120	171,538
Payroll taxes	64,813	21,492	86,305	9,414	18,887	114,606
Total salaries and related	1,119,435	456,349	1,575,784	194,795	283,076	2,053,655
Program costs:						
Counseling and supervision	65,735	8,153	73,888	-	-	73,888
Volunteer expenses	19,822	10,719	30,541	1,063	2,013	33,617
Communications	916	16,774	17,690	833	-	18,523
Program supplies	946	1,249	2,195	-	113	2,308
Total program costs	87,419	36,895	124,314	1,896	2,126	128,336
Occupancy:						
Rent	59,886	20,199	80,085	8,714	17,712	106,511
Donated rent	14,520	4,897	19,417	2,113	4,294	25,824
Depreciation	11,679	3,939	15,618	1,700	3,454	20,772
Other	169	57	226	25	50	301
Total occupancy	86,254	29,092	115,346	12,552	25,510	153,408
Other:						
Consultants	204,867	43,108	247,975	5,022	4,269	257,266
Office expenses	24,288	7,494	31,782	4,138	21,117	57,037
Printing and postage	8,692	663	9,355	129	22,892	32,376
Audit	-	-	-	26,500	-	26,500
Telephone and internet	12,459	4,302	16,761	1,693	3,286	21,740
Trainings and conferences	29,689	9,282	38,971	2,131	824	41,926
Credit card processing	-	-	-	-	19,821	19,821
Minor equipment and maintenance	6,320	2,132	8,452	920	1,934	11,306
Miscellaneous	548	121	669	1,621	738	3,028
Insurance	5,978	1,326	7,304	2,273	1,162	10,739
Total other	292,841	68,428	361,269	44,427	76,043	481,739
Total operating expenses before general and administrative allocation	1,585,949	590,764	2,176,713	253,670	386,755	2,817,138
General and administrative allocation	156,939	58,358	215,297	(253,670)	38,373	-
Total operating expenses	$ 1,742,888	$ 649,122	$ 2,392,010	$ -	$ 425,128	$ 2,817,138

The accompanying notes are an integral part of these statements.

1. OPERATIONS AND NONPROFIT STATUS

Founded in 1973, the Boston Area Rape Crisis Center's (BARCC) mission is to end sexual violence through healing and social change.

BARCC fulfills its mission by:

- Providing free, comprehensive rape crisis services in English, Spanish (and other languages upon request) to survivors of sexual violence, their families, friends, and partners;
- being at the forefront of developing innovative, effective, and comprehensive survivor services that are responsive to community needs;
- implementing prevention strategies that are informed by research and our work with survivors, tailored to meet the specific needs of different communities, and designed to reduce victimization and perpetration; and
- engaging our community through a vibrant and nationally recognized volunteer program where we train and supervise over 140 volunteers.

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.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Fair Value Measurements

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

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

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

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

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

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

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, 2016 and 2015. The BARCC's information returns are subject to examination by the Federal and state jurisdictions.

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.

Certificate of Deposit

At June 30, 2016 and 2015, BARCC had a certificate of deposit with a maturity of three months, at an interest rate of .05%, and maturing on September 29, 2016 and 2015. Management reinvests the certificate of deposit upon maturity. On September 29, 2016, the certificate of deposit was renewed for an additional three months.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable at June 30, 2016 and 2015, 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, 2016 and 2015.

Restricted Cash

Restricted cash consists of amounts restricted by the donor for the acquisition of property and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

	Estimated Useful Lives
Office equipment	3 - 5 years
Furniture	3 years
Leasehold improvements	Lease term

Office equipment with a cost of $19,665 at June 30, 2016 and 2015, and a net book value of $0 and $1,672, 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.

Deferred Income

Deferred income consists of contract advances. These amounts will be recognized as revenue when the services are provided.

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.

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 $461,670 and $430,649 of volunteer services for the years ended June 30, 2016 and 2015, respectively. BARCC received $25,824 of donated rent for the years ended June 30, 2016 and 2015 (see Note 6).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through December 5, 2016, 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, except as noted in Notes 2 and 6.

3. NET ASSETS

Unrestricted Net Assets

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by 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.

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, 2016 and 2015, are restricted for the following:

	2016	2015
Capital	$ 70,000	$ 10,000
Purpose	6,000	-
Time	-	13,688
	$ 76,000	$ 23,688

4. FUNDING

A significant portion of BARCC's program service fees and contracts revenue are earned from various departments of the Commonwealth of Massachusetts. Concentrations of revenues and accounts receivable as of and for the years ended:

	% of Operating Revenues and Support		% of Accounts Receivable	
	2016	2015	2016	2015
Massachusetts Department of Public Health	28%	31%	40%	40%
Massachusetts Office for Victim Assistance	11%	8%	30%	11%

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, 2016 and 2015, or on its changes in net assets for the years then ended.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2016	2015
Office equipment	$ 83,479	$ 83,479
Furniture	25,176	25,176
Leasehold improvements	66,002	66,002
	174,657	174,657
Less - accumulated depreciation	133,824	110,125
Net property and equipment	$ 40,833	$ 64,532

Depreciation expense for the years ended June 30, 2016 and 2015, was $23,699 and $20,772, respectively.

6. LEASES

BARCC rents office space in Cambridge, Massachusetts at $8,807 per month, plus certain operating expenses, under a five-year lease expiring on September 30, 2018. Rent expense, including certain operating expenses, for this office space was $111,952 and $106,510 for the years ended June 30, 2016 and 2015, respectively.

Subsequent to year end, BARCC entered into a new five-year lease agreement which includes both the existing space and additional office space. The monthly rent for the initial year is approximately $15,675, plus certain operating expenses and increases annually. The lease provides for free rent for a portion of the space for the initial three months of the new lease. The term of the new lease is August 2016 until July 31, 2021.

BARCC operates a satellite office in Boston, Massachusetts as a tenant-at-will. BARCC is required to make a monthly payment of $155 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, 2016 and 2015, was estimated to be $25,824 annually (see Note 2). This office space is shown as donated rent in the accompanying statements of functional expenses for the years ended June 30, 2016 and 2015.

Remaining future minimum lease payments are as follows:

Fiscal Year	Amount
2017	$ 277,541
2018	305,986
2019	226,718
2020	205,499
2021	213,104
2022	17,812
Total	$ 1,246,660

BARCC leases office equipment under various operating leases expiring through March 25, 2017. Future minimum payments under these lease agreements are $2,124 for fiscal year 2017.

7. RELATED PARTY TRANSACTIONS

During fiscal year 2015, architectural services were provided by a relative of the Executive Director for fees totaling $700, and are included in property and equipment in the accompanying financial statements. There were no related party transactions during fiscal year 2016. The related party transaction is disclosed and approved in accordance with BARCC's conflict of interest policy.

8. LINE OF CREDIT

BARCC had a $100,000 line of credit with a local financial institution that expired on March 31, 2016. BARCC increased its line of credit to $250,000. Borrowings under the agreement are due on demand and interest is payable monthly at the bank's base lending rate of 3.50%, plus 1% and 3.25%, plus 1% at June 30, 2016 and 2015, respectively. The line of credit is secured by all business assets of BARCC and is renewed annually. As of June 30, 2016 and 2015, 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, 2016 and 2015.

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 and certificate of deposit.

11. RECLASSIFICATION

Certain amounts in the fiscal year 2015 financial statements have been reclassified to conform with the fiscal year 2016 presentation.