FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015
# BOSTON AREA RAPE CRISIS CENTER, INC.

## Contents

June 30, 2016 and 2015

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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.

Boston, Massachusetts
December 5, 2016
## BOSTON AREA RAPE CRISIS CENTER, INC.

### Statements of Financial Position

**June 30, 2016 and 2015**

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 647,250</td>
<td>$ 518,048</td>
</tr>
<tr>
<td>Certificate of deposit</td>
<td>214,948</td>
<td>214,832</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>377,791</td>
<td>279,033</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>15,181</td>
<td>23,231</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,255,170</td>
<td>1,035,144</td>
</tr>
<tr>
<td>Restricted Cash</td>
<td>70,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Property and Equipment, net of accumulated depreciation</td>
<td>40,833</td>
<td>64,532</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 1,366,003</td>
<td>$ 1,109,676</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liability Category</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 105,809</td>
<td>$ 97,792</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>159,169</td>
<td>129,102</td>
</tr>
<tr>
<td>Deferred income</td>
<td>-</td>
<td>20,307</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>264,978</td>
<td>247,201</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>949,002</td>
<td>739,065</td>
</tr>
<tr>
<td>Board designated</td>
<td>35,190</td>
<td>35,190</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>40,833</td>
<td>64,532</td>
</tr>
<tr>
<td><strong>Total unrestricted</strong></td>
<td>1,025,025</td>
<td>838,787</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>76,000</td>
<td>23,688</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>1,101,025</td>
<td>862,475</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$ 1,366,003</td>
<td>$ 1,109,676</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
### Operating Revenues and Support:

#### Special Events:
- **Contributions**: $422,047
- **Event revenue**: 132,772

#### Temporarily Unrestricted
- **Total special events, net**: 379,735

#### Restrained
- **Net assets released from program restrictions**: 72,000
- **Net assets released from time restrictions**: 13,688

#### Total operating revenues and support
- **2016**: $3,275,386
- **2015**: $3,267,698

#### Operating Expenses:

#### Program services:
- **Client Services**: $1,859,365
- **Community Engagement and Prevention**: 500,495
- **Total program services**: 2,359,860

#### Supporting services:
- **General and administrative**: 281,623
- **Development**: 447,665
- **Total supporting services**: 729,288

#### Total operating revenues and support
- **2016**: $3,275,386
- **2015**: $3,267,698

### Changes in net assets from operations
- **2016**: $186,238
- **2015**: $3,089,148

### Non-Operating Revenues:
- **Capital grants and contributions**: 60,000
- **Net assets released from capital restrictions**: 38,930

### Total non-operating revenues
- **2016**: $186,238
- **2015**: 238,550

### Net asset:
- **Beginning of year**: $838,787
- **End of year**: $1,025,025

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>$238,550</td>
<td>$93,796</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>23,699</td>
<td>20,772</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>(60,000)</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(98,758)</td>
<td>143,938</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>8,050</td>
<td>(7,168)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>8,017</td>
<td>12,712</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>30,067</td>
<td>11,878</td>
</tr>
<tr>
<td>Deferred income</td>
<td>(20,307)</td>
<td>20,307</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>129,318</td>
<td>286,235</td>
</tr>
</tbody>
</table>

| **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|

The accompanying notes are an integral part of these statements.
### Statement of Functional Expenses

For the Year Ended June 30, 2016

(With Summarized Comparative Totals for the Year Ended June 30, 2015)

<table>
<thead>
<tr>
<th>Operating Expenses:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries and related:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$909,031</td>
<td>$165,110</td>
</tr>
<tr>
<td>Donated services</td>
<td>272,289</td>
<td>162,835</td>
</tr>
<tr>
<td>Contracted service</td>
<td>34,396</td>
<td>6,247</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>89,618</td>
<td>33,151</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>76,775</td>
<td>13,836</td>
</tr>
<tr>
<td><strong>Total salaries and related</strong></td>
<td>1,382,109</td>
<td>381,169</td>
</tr>
<tr>
<td><strong>Program costs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling and supervision</td>
<td>67,163</td>
<td>498</td>
</tr>
<tr>
<td>Volunteer expenses</td>
<td>21,951</td>
<td>26,752</td>
</tr>
<tr>
<td>Communications</td>
<td>448</td>
<td>17,245</td>
</tr>
<tr>
<td>Program supplies</td>
<td>431</td>
<td>3,383</td>
</tr>
<tr>
<td><strong>Total program costs</strong></td>
<td>89,993</td>
<td>47,878</td>
</tr>
<tr>
<td><strong>Occupancy:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>73,602</td>
<td>13,368</td>
</tr>
<tr>
<td>Depreciation</td>
<td>15,580</td>
<td>2,830</td>
</tr>
<tr>
<td>Other</td>
<td>82</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total occupancy</strong></td>
<td>106,242</td>
<td>19,297</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants</td>
<td>174,795</td>
<td>23,844</td>
</tr>
<tr>
<td>Office expenses</td>
<td>44,113</td>
<td>8,669</td>
</tr>
<tr>
<td>Printing and postage</td>
<td>1,844</td>
<td>2,905</td>
</tr>
<tr>
<td>Audit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telephone and internet</td>
<td>19,436</td>
<td>3,208</td>
</tr>
<tr>
<td>Trainings and conferences</td>
<td>19,412</td>
<td>2,868</td>
</tr>
<tr>
<td>Credit card processing</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Minor equipment and maintenance</td>
<td>11,562</td>
<td>2,100</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,983</td>
<td>7,090</td>
</tr>
<tr>
<td>Insurance</td>
<td>5,876</td>
<td>695</td>
</tr>
<tr>
<td><strong>Total other</strong></td>
<td>281,021</td>
<td>52,151</td>
</tr>
<tr>
<td><strong>Total operating expenses before general and administrative allocation</strong></td>
<td>1,859,365</td>
<td>500,495</td>
</tr>
<tr>
<td><strong>General and administrative allocation</strong></td>
<td>186,513</td>
<td>55,591</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$2,045,878</td>
<td>$566,086</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
# Statement of Functional Expenses

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Operating Expenses:</th>
<th>Client Services</th>
<th>Community Engagement and Prevention</th>
<th>Total Program Services</th>
<th>General and Administrative</th>
<th>Development</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related:</td>
<td>$692,302</td>
<td>$233,113</td>
<td>$925,415</td>
<td>$100,559</td>
<td>$204,405</td>
<td>$1,230,379</td>
</tr>
<tr>
<td>Donated services</td>
<td>265,823</td>
<td>154,609</td>
<td>420,432</td>
<td>10,217</td>
<td>-</td>
<td>430,649</td>
</tr>
<tr>
<td>Contracted service</td>
<td>8,500</td>
<td>2,867</td>
<td>11,367</td>
<td>41,664</td>
<td>-</td>
<td>53,031</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>87,997</td>
<td>44,268</td>
<td>132,265</td>
<td>18,887</td>
<td>-</td>
<td>151,152</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>64,813</td>
<td>21,492</td>
<td>86,305</td>
<td>-</td>
<td>17,712</td>
<td>104,017</td>
</tr>
<tr>
<td>Total salaries and related</td>
<td>1,119,435</td>
<td>456,349</td>
<td>1,575,784</td>
<td>194,795</td>
<td>283,076</td>
<td>2,053,655</td>
</tr>
<tr>
<td>Program costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling and supervision</td>
<td>65,735</td>
<td>8,153</td>
<td>73,888</td>
<td>-</td>
<td>-</td>
<td>73,888</td>
</tr>
<tr>
<td>Volunteer expenses</td>
<td>19,822</td>
<td>10,719</td>
<td>30,541</td>
<td>1,063</td>
<td>2,013</td>
<td>33,617</td>
</tr>
<tr>
<td>Communications</td>
<td>916</td>
<td>16,774</td>
<td>17,690</td>
<td>833</td>
<td>-</td>
<td>18,523</td>
</tr>
<tr>
<td>Program supplies</td>
<td>946</td>
<td>1,249</td>
<td>2,195</td>
<td>113</td>
<td>-</td>
<td>2,308</td>
</tr>
<tr>
<td>Total program costs</td>
<td>87,419</td>
<td>36,895</td>
<td>124,314</td>
<td>1,896</td>
<td>2,126</td>
<td>128,336</td>
</tr>
<tr>
<td>Occupancy:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>59,886</td>
<td>20,199</td>
<td>80,085</td>
<td>8,714</td>
<td>17,712</td>
<td>106,511</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11,679</td>
<td>3,939</td>
<td>15,618</td>
<td>1,700</td>
<td>-</td>
<td>17,318</td>
</tr>
<tr>
<td>Other</td>
<td>169</td>
<td>57</td>
<td>226</td>
<td>-</td>
<td>50</td>
<td>301</td>
</tr>
<tr>
<td>Total occupancy</td>
<td>86,254</td>
<td>29,092</td>
<td>115,346</td>
<td>12,552</td>
<td>25,510</td>
<td>153,348</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants</td>
<td>204,867</td>
<td>43,108</td>
<td>247,975</td>
<td>5,022</td>
<td>4,269</td>
<td>257,266</td>
</tr>
<tr>
<td>Office expenses</td>
<td>24,288</td>
<td>7,494</td>
<td>31,782</td>
<td>4,138</td>
<td>21,117</td>
<td>54,455</td>
</tr>
<tr>
<td>Printing and postage</td>
<td>8,692</td>
<td>9,355</td>
<td>17,147</td>
<td>129</td>
<td>22,892</td>
<td>33,033</td>
</tr>
<tr>
<td>Audit</td>
<td>-1</td>
<td>26,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,500</td>
</tr>
<tr>
<td>Telephone and internet</td>
<td>12,459</td>
<td>3,202</td>
<td>16,661</td>
<td>1,693</td>
<td>3,286</td>
<td>21,430</td>
</tr>
<tr>
<td>Credit card processing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,821</td>
<td>19,821</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,320</td>
<td>2,132</td>
<td>8,452</td>
<td>920</td>
<td>1,934</td>
<td>11,306</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5,978</td>
<td>5,266</td>
<td>7,304</td>
<td>1,162</td>
<td>10,739</td>
<td></td>
</tr>
<tr>
<td>Total other</td>
<td>292,841</td>
<td>68,428</td>
<td>361,269</td>
<td>44,427</td>
<td>76,043</td>
<td>481,739</td>
</tr>
<tr>
<td>Total operating expenses before general and administrative allocation</td>
<td>1,585,949</td>
<td>590,764</td>
<td>2,176,713</td>
<td>253,670</td>
<td>386,755</td>
<td>2,817,138</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>1,569,939</td>
<td>58,358</td>
<td>215,297</td>
<td>(253,670)</td>
<td>38,373</td>
<td>-</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment</td>
</tr>
<tr>
<td>Furniture</td>
</tr>
<tr>
<td>Leasehold improvements</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>$ 70,000</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>Purpose</td>
<td>6,000</td>
<td>-</td>
</tr>
<tr>
<td>Time</td>
<td>-</td>
<td>13,688</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 76,000</td>
<td>$ 23,688</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>% of Operating Revenues and Support</th>
<th>% of Accounts Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Massachusetts Department of Public Health</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>Massachusetts Office for Victim Assistance</td>
<td>11%</td>
<td>8%</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment</td>
<td>$83,479</td>
<td>$83,479</td>
</tr>
<tr>
<td>Furniture</td>
<td>25,176</td>
<td>25,176</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>66,002</td>
<td>66,002</td>
</tr>
<tr>
<td></td>
<td>174,657</td>
<td>174,657</td>
</tr>
<tr>
<td>Less - accumulated depreciation</td>
<td>133,824</td>
<td>110,125</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>$40,833</td>
<td>$64,532</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$277,541</td>
</tr>
<tr>
<td>2018</td>
<td>305,986</td>
</tr>
<tr>
<td>2019</td>
<td>226,718</td>
</tr>
<tr>
<td>2020</td>
<td>205,499</td>
</tr>
<tr>
<td>2021</td>
<td>213,104</td>
</tr>
<tr>
<td>2022</td>
<td>17,812</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,246,660</strong></td>
</tr>
</tbody>
</table>

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.