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BOSTON AREA RAPE CRISIS CENTER, INC.



Financial Statements

For the Years Ended June 30, 2020 and 2019

*A Certified Women-Owned Business Enterprise
in the Commonwealth of Massachusetts and City of New York
4238 Washington Street, Suite 307, Boston, Massachusetts 02131
687 West 204th Street, New York, New York 10034
Member, American Institute of Certified Public Accountants
Member, Association of Fraud Examiners
www.daviskellycpas.com*

BOSTON AREA RAPE CRISIS CENTER, INC.

Financial Statements

For the Years Ended June 30, 2020 and 2019

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Boston Area Rape Crisis Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, 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.

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. 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 auditors' 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 auditors consider 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.

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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, 2020 and 2019, 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 December 7, 2020, on our consideration of Boston Area Rape Crisis Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Boston Area Rape Crisis Center, Inc.'s internal control over financial reporting and compliance.

Other Matters

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Boston Area Rape Crisis Center, Inc. taken as a whole. The accompanying schedule of expenditures of Federal awards for the year ended June 30, 2020, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Boston Area Rape Crisis Center, Inc. taken as a whole. The accompanying supplemental Schedules A and B of the Uniform Financial Report are presented solely for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the representation of Boston Area Rape Crisis Center, Inc.'s management and has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion on it.

Davis Kelly LLC

Boston, Massachusetts
December 7, 2020

BOSTON AREA RAPE CRISIS CENTER, INC.

Statements of Financial Position

As of June 30, 2020 and 2019

	<i>2020</i>	<i>2019</i>
<i>Assets</i>		
Cash and cash equivalents	\$ 2,027,108	\$ 1,103,396
Accounts receivable	893,177	788,815
Prepaid expenses	14,595	106,027
Funds held for others	-	11,957
Property and equipment, net	75,230	66,113
<i>Total assets</i>	<i>\$ 3,010,110</i>	<i>\$ 2,076,308</i>
<i>Liabilities and Net Assets</i>		
<i>Liabilities:</i>		
Accounts payable	\$ 82,900	\$ 38,345
Refundable advance (Paycheck Protection Program loan)	737,880	-
Accrued expenses	407,266	335,415
Funds held for others	-	11,957
<i>Total liabilities</i>	<i>1,228,046</i>	<i>385,717</i>
<i>Net Assets:</i>		
Without donor restrictions	1,693,710	1,593,535
With donor restrictions	88,354	97,056
<i>Total net assets</i>	<i>1,782,064</i>	<i>1,690,591</i>
<i>Total liabilities and net assets</i>	<i>\$ 3,010,110</i>	<i>\$ 2,076,308</i>

See accompanying notes to financial statements.

BOSTON AREA RAPE CRISIS CENTER, INC.

Statement of Activities

For the Year Ended June 30, 2020

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Operating Revenues and Support:</i>			
Grants and contributions	\$ 648,181	\$ 163,500	\$ 811,681
Program service fees and contracts	4,033,254	-	4,033,254
Special events revenue	878,219	-	878,219
Less: direct expenses	(195,720)	-	(195,720)
<i>Total special events revenue, net</i>	682,499	-	682,499
Donated goods and services	714,474	-	714,474
Other income	35,313	-	35,313
Net assets released from restrictions	172,202	(172,202)	-
<i>Total operating revenues and support</i>	6,285,923	(8,702)	6,277,221
<i>Operating Expenses:</i>			
Program services	3,816,085	-	3,816,085
Management and general	1,256,827	-	1,256,827
Development	1,112,836	-	1,112,836
<i>Total operating expenses</i>	6,185,748	-	6,185,748
<i>Change in net assets</i>	100,175	(8,702)	91,473
<i>Net Assets, beginning</i>	1,593,535	97,056	1,690,591
<i>Net Assets, ending</i>	\$ 1,693,710	\$ 88,354	\$ 1,782,064

See accompanying notes to financial statements.

BOSTON AREA RAPE CRISIS CENTER, INC.

Statement of Activities

For the Year Ended June 30, 2019

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Operating Revenues and Support:</i>			
Grants and contributions	\$ 500,716	\$ 211,358	\$ 712,074
Program service fees and contracts	3,558,952	-	3,558,952
Special events revenue	1,061,460	-	1,061,460
Less: direct expenses	(221,948)	-	(221,948)
<i>Total special events revenue, net</i>	839,512	-	839,512
Donated goods and services	930,453	-	930,453
Other income	179,700	-	179,700
Net assets released from restrictions	189,680	(189,680)	-
<i>Total operating revenues and support</i>	6,199,013	21,678	6,220,691
<i>Operating Expenses:</i>			
Program services	3,797,897	-	3,797,897
Management and general	954,002	-	954,002
Development	968,395	-	968,395
<i>Total operating expenses</i>	5,720,294	-	5,720,294
<i>Change in net assets</i>	478,719	21,678	500,397
<i>Net Assets, beginning</i>	1,114,815	75,378	1,190,193
<i>Net Assets, ending</i>	\$ 1,593,534	\$ 97,056	\$ 1,690,590

See accompanying notes to financial statements.

BOSTON AREA RAPE CRISIS CENTER, INC.***Statements of Cash Flows******For the Years Ended June 30, 2020 and 2019***

	<u>2020</u>	<u>2019</u>
<i>Cash Flows from Operating Activities:</i>		
Change in net assets	\$ 91,473	\$ 500,397
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,885	18,872
Changes in:		
Accounts receivable	(104,362)	(344,867)
Prepaid expenses	91,432	(54,019)
Accounts payable	44,555	(24,345)
Accrued expenses	71,851	80,618
	<hr/>	<hr/>
<i>Net cash provided by operating activities</i>	209,834	176,656
	<hr/>	<hr/>
<i>Cash Flows from Investing Activities:</i>		
Investment in property and equipment	(24,002)	(28,605)
	<hr/>	<hr/>
<i>Net cash used in investing activities</i>	(24,002)	(28,605)
	<hr/>	<hr/>
<i>Cash Flows from Financing Activities:</i>		
Proceeds from financing activities	737,880	-
	<hr/>	<hr/>
<i>Net cash used in financing activities</i>	737,880	-
	<hr/>	<hr/>
<i>Net change in cash and cash equivalents</i>	923,712	148,051
	<hr/>	<hr/>
<i>Cash and Cash Equivalents, beginning</i>	1,103,396	955,344
	<hr/>	<hr/>
<i>Cash and Cash Equivalents, ending</i>	\$ 2,027,108	\$ 1,103,396
	<hr/>	<hr/>

See accompanying notes to financial statements.

BOSTON AREA RAPE CRISIS CENTER, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2020

	<i>Client Services</i>	<i>Community Engagement and Prevention</i>	<i>Total Program Services</i>	<i>Management and General</i>	<i>Development</i>	<i>Total</i>
<i>Salaries and Related Expenses:</i>						
Salaries	\$ 1,236,740	\$ 905,696	\$ 2,142,436	\$ 498,509	\$ 677,480	\$ 3,318,425
Payroll taxes	104,836	76,774	181,610	42,257	57,429	281,296
Fringe benefits	156,242	114,420	270,662	62,979	85,589	419,230
Donated services	633,422	62,115	695,537	18,937	-	714,474
Contracted services	24,222	92,591	116,813	192,968	124,442	434,223
<i>Total salaries and related expenses</i>	2,155,462	1,251,596	3,407,058	815,650	944,940	5,167,648
<i>Program Expenses:</i>						
Volunteer	42,969	60,018	102,987	6,883	584	110,454
Counseling and supervision	2,404	8,427	10,831	3,132	3,752	17,715
Communications	1,122	74	1,196	18,004	2,750	21,950
Program supplies	-	-	-	59	1,879	1,938
<i>Total program expenses</i>	46,495	68,519	115,014	28,078	8,965	152,057
<i>Occupancy Expenses:</i>						
Rent	79,867	68,457	148,324	34,229	45,638	228,191
Depreciation	-	-	-	14,885	-	14,885
Security	-	-	-	904	-	904
<i>Total occupancy expenses</i>	79,867	68,457	148,324	50,018	45,638	243,981

(Continued)

See accompanying notes to financial statements.

BOSTON AREA RAPE CRISIS CENTER, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2020

	<i>Client Services</i>	<i>Community Engagement and Prevention</i>	<i>Total Program Services</i>	<i>Management and General</i>	<i>Development</i>	<i>Total</i>
<i>Other Expenses:</i>						
Consultants	\$ -	\$ 44,694	\$ 44,694	\$ 24,407	\$ 34,226	\$ 103,327
Office expenses	45,404	24,421	69,825	240,305	14,294	324,424
Trainings and conferences	4,918	4,829	9,747	5,320	1,078	16,145
Minor equipment and maintenance	4,262	3,653	7,915	1,827	2,435	12,177
Printing and postage	1,613	4,804	6,417	6,462	28,568	41,447
Telephone and internet	442	2,548	2,990	32,817	-	35,807
Accounting	-	-	-	25,000	-	25,000
Credit and processing	-	-	-	-	31,245	31,245
Insurance	-	1,371	1,371	14,124	-	15,495
Miscellaneous	1,982	688	2,670	13,979	347	16,995
<i>Total other expenses</i>	58,621	87,008	145,629	364,241	112,193	622,062
<i>Total expenses</i>	\$ 2,340,445	\$ 1,475,580	\$ 3,816,025	\$ 1,257,987	\$ 1,111,736	\$ 6,185,748

See accompanying notes to financial statements.

BOSTON AREA RAPE CRISIS CENTER, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2019

	<i>Client Services</i>	<i>Community Engagement and Prevention</i>	<i>Total Program Services</i>	<i>Management and General</i>	<i>Development</i>	<i>Total</i>
<i>Salaries and Related Expenses:</i>						
Salaries	\$ 973,440	\$ 794,638	\$ 1,768,078	\$ 422,911	\$ 561,789	\$ 2,752,778
Payroll taxes	82,773	67,569	150,342	35,961	47,770	234,073
Fringe benefits	91,530	74,718	166,248	39,765	52,824	258,837
Donated services	824,901	80,892	905,793	24,660	-	930,453
Contracted services	38,864	170,314	209,178	146,728	88,227	444,133
<i>Total salaries and related expenses</i>	2,011,508	1,188,131	3,199,639	670,025	750,610	4,620,274
<i>Program Expenses:</i>						
Volunteer	37,632	56,231	93,863	7,357	1,491	102,711
Counseling and supervision	1,566	1,714	3,280	-	194	3,474
Communications	6,753	5,544	12,297	2,951	3,919	19,167
Program supplies	47	205	252	20	-	272
<i>Total program expenses</i>	45,998	63,694	109,692	10,328	5,604	125,624
<i>Occupancy Expenses:</i>						
Rent	89,625	73,577	163,202	39,158	52,017	254,377
Depreciation	-	-	-	18,872	-	18,872
Security	-	-	-	480	-	480
<i>Total occupancy expenses</i>	89,625	73,577	163,202	58,510	52,017	273,729

(Continued)

See accompanying notes to financial statements.

BOSTON AREA RAPE CRISIS CENTER, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2019

	<i>Client Services</i>	<i>Community Engagement and Prevention</i>	<i>Total Program Services</i>	<i>Management and General</i>	<i>Development</i>	<i>Total</i>
<i>Other Expenses:</i>						
Consultants	\$ 350	\$ 23,944	\$ 24,294	\$ 90,344	\$ 34,764	\$ 149,402
Office expenses	74,705	61,329	136,034	32,639	43,358	212,031
Trainings and conferences	21,248	17,443	38,691	9,284	12,332	60,307
Minor equipment and maintenance	28,175	19,885	48,060	10,583	14,058	72,701
Printing and postage	12,814	10,519	23,333	5,598	7,437	36,368
Telephone and internet	-	8,650	8,650	32,403	1,009	42,062
Accounting	-	-	-	24,158	-	24,158
Credit and processing	-	-	-	-	33,750	33,750
Insurance	5,769	4,736	10,505	2,520	3,348	16,373
Miscellaneous	21,499	14,298	35,797	7,610	10,108	53,515
<i>Total other expenses</i>	164,560	160,804	325,364	215,139	160,164	700,667
<i>Total expenses</i>	\$ 2,311,691	\$ 1,486,206	\$ 3,797,897	\$ 954,002	\$ 968,395	\$ 5,720,294

See accompanying notes to financial statements.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 1. Nature of Operations

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

BARCC fulfills its mission by:

- Providing free, comprehensive rape crisis services in English and 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 its work with survivors, tailored to meet the specific needs of different communities, and designed to reduce victimization and perpetration.
- Engaging its community through a vibrant and nationally recognized volunteer program where BARCC trains and supervises over 140 volunteers.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), established by the Financial Accounting Standards Board (FASB). These standards require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets available that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors (the Board).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 2. Summary of Significant Accounting Policies (Continued)

Funds Held for Others

Funds held for others represent funds held by the Organization on behalf of another organization.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are presented net of the allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on its past experience and accounts receivable are charged off when deemed uncollectible. No allowance was deemed necessary at June 30, 2020 or 2019.

Revenue Recognition

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.

Contributions and Grants

The Organization follows the requirements of the FASB in its Statement of Financial Accounting Standards, *Accounting for Contributions Received and Contributions Made*. This financial accounting standard requires that contributions be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions or net assets without donor restrictions depending on the nature of the restriction until restriction conditions are satisfied, at which time net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed Goods and Services

Volunteers and other organizations contribute services to the Organization in support of various aspects of its programs. Over 100 volunteers provide a significant portion of the direct services in the Client Services and Community Engagement and Prevention programs. These services are reflected in the accompanying financial statements based upon the estimated value assigned by the volunteers, agencies, or management. The Organization received \$714,474 and \$930,453 of volunteer services for the years ended June 30, 2020 and 2019, respectively.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires the Organization's management to make estimates and assumptions. These 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 and assumptions.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 2. Summary of Significant Accounting Policies (Continued)

Income Tax Status

The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2020, there are no significant uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is also exempt from Massachusetts state taxes.

Leasehold Improvements, Equipment and Furniture

Leasehold improvements, equipment and furniture are stated at cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the lease term or life of the leasehold, whichever is shorter, on a straight-line basis. The estimated useful lives for purposes of computing depreciation are as follows:

Equipment	3-5 years
Furniture	3-5 years
Leasehold improvements	Shorter of the estimated useful life or the remaining years of lease

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services. Such allocations are determined by management on an equitable basis. Professional fees, salary, payroll taxes and benefits are allocated depending on time and effort. Depreciation is allocated across the useful life of the assets. Rent is allocated in accordance with square footage used by full-time equivalents.

New Accounting Pronouncements

The Organization has adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. ASU 2014-09 eliminated the transaction and industry-specific revenue recognition guidance under previous U.S. GAAP and replaced it with a principle-based approach for determining revenue recognition. The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard improves the usefulness and understandability of the Organization's financial reporting.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 2. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

Analysis of various provisions of this ASU 2014-09 resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required. The presentation and disclosures of revenue have been enhanced in accordance with the standards.

The Organization has adopted ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as amended. ASU 2018-08 was issued to make it easier for not-for-profit organizations to evaluate whether gifts, grants or contracts should be accounted for as contributions or as reciprocal (exchange) transactions accounted for under ASU 2014-09. Under the new guidance, all organizations are required to evaluate whether the resource provider (i.e., federal agency, foundation, corporation, etc.) is receiving commensurate value in a transfer of resources (i.e., assets or reduction/settlement of liabilities) and whether contributions are conditional or unconditional. If commensurate value is received by the resource provider, the transaction is to be accounted for as an exchange transaction by applying ASU 2014-09. If commensurate value is not received by the resource provider (i.e., the transaction is nonexchange), the recipient organization would determine the transaction to be a contribution and determine whether the contribution is unconditional or conditional. The standard improves the usefulness and understandability of the Organization's financial reporting.

ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, gives donors better information without causing nonprofits to incur too much cost to provide the information.

The updated standard will provide more prominent presentation of gifts-in-kind by requiring nonprofits to show contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. It also calls for enhanced disclosures about the valuation of those contributions and their use in programs and other activities.

Nonprofits will be required to split out the amount of contributed nonfinancial assets they receive by category and in footnotes to financial statements. For each category, the nonprofit will be required to disclose:

- Qualitative information about whether contributed nonfinancial assets were either monetized or used during the reporting period and, if used, a description of the programs or other activities in which those assets were used.
- The nonprofit's policy (if any) for monetizing rather than using contributed nonfinancial assets.
- A description of any associated donor restrictions.
- A description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition.
- The principal market (or most advantageous market) used to arrive at a fair value measurement if it is a market in which the recipient nonprofit is prohibited by donor restrictions from selling or using the contributed nonfinancial asset.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 2. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

However, the new rule will not change the recognition and measurement requirements for those assets. ASU 2020-07 takes effect for annual periods after June 15, 2021, and interim periods within fiscal years after June 15, 2022. Retrospective application is required, and early application is permitted.

Note 3. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization. The Organization has grouped its unrestricted net assets into the following categories:

Operating net assets: Funds available to carry on the operations of the Organization.

Board-designated net assets: Funds set aside by the Board to be used for new program development and infrastructure projects.

Property and equipment net assets: Funds relating to the Organization's property and equipment.

Net Assets With Donor Restrictions

Net assets with donor restrictions restricted net assets include donor-restricted funds designated for a specific purpose. These amounts are recorded as net assets with donor restrictions assets until they are expended for their designated purposes or the time restrictions expire. For the years ended June 30, 2020 and 2019, the amounts of net assets with donor restrictions are \$88,354 and \$97,056, respectively.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 4. Leasehold Improvements, Equipment and Furniture

Leasehold improvements, equipment and furniture consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Office equipment	\$ 83,479	\$ 83,479
Furniture	25,176	25,176
Leasehold improvements	190,022	148,739
	298,677	257,394
Less: accumulated depreciation	(223,447)	(191,281)
Fixed assets, net	<u>\$ 75,230</u>	<u>\$ 66,113</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$14,885 and \$18,872, respectively.

Note 5. Leases

The Organization has a five-year lease agreement for office space in Cambridge, Massachusetts, through July 31, 2021, with monthly payments ranging from \$15,677 in 2016 to \$17,812 in 2021. On January 29, 2019, the Organization entered into another five-year lease agreement for office space in Waltham, Massachusetts, with monthly payments ranging from \$3,197 in 2019 to \$3,886 in 2023. BARCC also leases office space in Boston at an annual rent of \$900. Rent expense for the office space was \$254,376 and \$204,377 for the years ended June 30, 2020 and 2019, respectively.

Remaining future minimum lease payments are as follows:

Years ending June 30:	
2021	\$ 257,180
2022	64,041
2023	28,100
2024	28,100
	<u>\$ 377,421</u>

The Organization leased office equipment under an operating lease that was extended through June 2022 and requires monthly payments of \$350. These expenses are included in minor equipment and maintenance in the accompanying statements of functional expenses.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 5. Leases (Continued)

Future minimum payments under this lease agreement are as follows:

Years ending June 30:

2021	\$ 4,200
2022	4,200
	<hr/>
	\$ 8,400

Note 6. Reclassification

Certain amounts in the fiscal year 2019 financial statements have been reclassified in order to conform to the current year's presentation. The reclassification has no effect on the previously reported net assets.

Note 7. Related-Party Transaction

During fiscal year 2019, architectural drawings and services for office renovations were provided by the brother-in-law of the executive director for fees totaling \$8,925. There were no related-party transactions for the year ended June 30, 2020.

Note 8. Concentration of Credit Risk

The Organization 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. The Organization has not experienced any losses in the account. The Organization believes it is not exposed to any significant credit risk on its operating cash balance and certificate of deposit. The Organization has a cash balance of \$1,225,740 and \$621,131 at June 30, 2020 and 2019, respectively which exceed the FDIC-insured balance.

Note 9. Line of Credit

The Organization has a line of credit with a financial institution for \$500,000. Borrowings under the agreement are due on demand, and interest is payable monthly at the bank's base lending rate of 4.25% and 3.5% (plus 1%) at June 30, 2020 and 2019, respectively. The line is secured by all business assets of the Organization and is renewed annually. There were no outstanding borrowings under the line as of June 30, 2020 or 2019.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 10. Revenue and Receivable Concentrations

A significant portion of the Organization's program service fees and contract revenue is earned from the Commonwealth of Massachusetts. Concentrations of revenues and support and accounts receivable are as follows as of and for the years ended June 30:

	<i>Percentage of Operating Revenues and Support</i>		<i>Percentage of Accounts Receivable</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
<i>Commonwealth of Massachusetts:</i>				
Department of Public Health	28%	20%	17%	23%
Office for Victim Assistance	59%	24%	72%	50%

Payments to the Organization are subject to audit by respective funding agencies. In the opinion of management, the results of such audits will not have a material effect on the financial statements as of June 30, 2020 and 2019, or on its change in net assets for the years then ended.

Note 11. Not-for-Profit Surplus Revenue Retention

The Commonwealth of Massachusetts regulation 808 CMR 1.00 states that not for profits which accrue an annual net surplus from the revenues and expenses associated with services provided to purchasing agencies may retain, for future use, a portion of that surplus not to exceed 20% of said revenues. Surpluses may be used by the provider for any of its established charitable purposes, provided that no portion of the surplus may be used for any non-reimbursable cost set forth in 808 CMR 1.05, the free care prohibition excepted. The Commonwealth of Massachusetts, Operational Services Division (OSD) shall be responsible for determining the amount of surplus that may be retained by each provider in any given year and may determine whether any excess surplus shall be used to reduce future prices or be recouped. The Organization did not have any surplus for the years ending June 30, 2020 and 2019 which exceeded this amount.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 12. Availability and Liquidity

The following represents financial assets at year-end:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,027,109	\$ 1,103,396
Accounts receivable	885,311	788,815
	<hr/>	<hr/>
<i>Total financial assets</i>	2,912,420	1,892,211
Less: net assets with donor restrictions	<hr/>	<hr/>
	(88,354)	(97,056)
	<hr/>	<hr/>
<i>Financial assets available to meet general expenditures over the next 12 months</i>	<u>\$ 2,824,066</u>	<u>\$ 1,795,155</u>

Based on the analysis of revenue cycles, the Organization maintains a minimum operation reserve of 90 days. The reserve consists of cash equivalents and accounts receivable.

Note 13. Pension Plan

The Organization has a defined contribution pension plan covering all eligible employees. All full-time employees are eligible to participate. There were no employer contributions to the plan for the years ended June 30, 2020 or 2019.

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Note 14. Refundable Advance, Paycheck Protection Program (PPP) Loan

The Organization was granted a loan from a bank for \$737,880 pursuant to the Paycheck Protection Plan.

The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Organization cannot ensure that it will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part. The loan is recorded on the statement of financial position as a refundable advance.

Note 15. Subsequent Events

Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with ASC 855-10, the Organization's management has evaluated events subsequent to June 30, 2020 through December 07, 2020, which is the date the financial statements were available to be issued. There were no material events noted during this period that would impact the results reflected in this report.

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus, which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption, which may be caused by the outbreak, is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations, and cash flows. Possible effects may include, but are not limited to, the disruption of the Organization's programs.



***Independent Auditors' Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the Uniform Guidance***

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

Report on Compliance for Each Major Federal Program

We have audited Boston Area Rape Crisis Center, Inc.'s compliance with the types of compliance requirements described in the *Office of Management and Budget Compliance Supplement* that could have a direct and material effect on Boston Area Rape Crisis Center, Inc.'s major Federal programs for the year ended June 30, 2020. Boston Area Rape Crisis Center, Inc.'s major Federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the Federal statutes, regulations, and terms and conditions of its Federal awards applicable to its Federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Boston Area Rape Crisis Center, Inc.'s major Federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Boston Area Rape Crisis Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

*A Certified Women-Owned Business Enterprise
in the Commonwealth of Massachusetts and City of New York
4238 Washington Street, Suite 307, Boston, Massachusetts 02131
687 West 204th Street, New York, New York 10034
Member, American Institute of Certified Public Accountants
Member, Association of Fraud Examiners
www.daviskellycpas.com*

We believe that our audit provides a reasonable basis for our opinion on compliance for the major Federal program. However, our audit does not provide a legal determination of Boston Area Rape Crisis Center, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Boston Area Rape Crisis Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Boston Area Rape Crisis Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Boston Area Rape Crisis Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Boston Area Rape Crisis Center, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DavisKelly LLC

Boston, Massachusetts
December 7, 2020



***Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards***

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

We have audited, in accordance with the 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, the financial statements of Boston Area Rape Crisis Center, Inc., which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boston Area Rape Crisis Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boston Area Rape Crisis Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Boston Area Rape Crisis Center, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boston Area Rape Crisis Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boston Area Rape Crisis Center, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boston Area Rape Crisis Center, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisKelly LLC

Boston, Massachusetts
December 7, 2020

BOSTON AREA RAPE CRISIS CENTER, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

<i>Federal Grantor/Passed Through/Program Name</i>	<i>Contract No.</i>	<i>CFDA No.</i>	<i>Expenditures</i>
<i>U.S. Department of Justice:</i>			
<i>Passed through the Commonwealth of Massachusetts:</i>			
<i>Department of Public Health:</i>			
Sexual Assault Services Formula Program	INTF3401M03181228063	16.017	\$ 75,000
<i>Department of Corrections:</i>			
Violence Against Women Formula Grant	100M1MBARCCADVOCATE	16.588	132,683
Executive Office of Public Safety and Security	EPS SCEPS3001VAWA19BARCC	16.588	24,469
Executive Office of Public Safety and Security	EPS SCEPS3001VAWA19BARCC	16.588	22,403
<i>Office for Victim Assistance:</i>			
Crime Victim Assistance *	VOCA2019BARC00000	16.575	2,506,644
Outreach and Services to Underserved Population		16.889	130,299
<i>Passed through the Commonwealth of Massachusetts:</i>			
<i>Department of Public Health:</i>			
Injury Prevention and Control Research and State and Community-Based Programs	INTF3401M3181228063	93.136	109,954
Preventative Health and Health Service Block Grant Funded Solely with the Prevention and Health Funds	INTF301M3181228063	93.758	7,500
Preventative Health and Health Service Block Grant Funded Solely with the Prevention and Health Funds	INTF3401M04500824085	93.991	31,000
Training	VWA TRAIN2020BARC0000103	16.575	7,050
<i>Total expenditures of Federal awards</i>			<i>\$ 3,047,002</i>

* Major program

BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (the Schedule) includes the federal grant activity of Boston Area Rape Crisis Center, Inc. (the Organization) under programs of federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the Organization's operations, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

- (1) Expenditures in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

BOSTON AREA RAPE CRISIS CENTER, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

Section 1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? _____ Yes X None reported

Type of auditors' report issued on compliance for major
programs: Unqualified

Any audit findings that are required to be disclosed in
accordance with 2 CFR Section 200.516(a)? _____ Yes X No

Identification of major programs:

<i>Name of Federal Program or Cluster</i>	<i>Contract No.</i>	<i>CFDA No.</i>	<i>Expenditures</i>
<i>U.S. Department of Justice</i>			
<i>Commonwealth of Massachusetts</i>			
<i>Office for Victim Assistance</i>			
Crime Victim Assistance	VOCA2020BARC00000000	16.575	\$2,506,644

Dollar threshold used to distinguish between Type A and
Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Prior-year audit findings? _____ Yes X No