



**FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

Contents  
June 30, 2017 and 2016

---

	<b><u>Pages</u></b>
<b>Independent Auditor's Report .....</b>	<b>1</b>
<b>Financial Statements:</b>	
Statements of Financial Position .....	2
Statements of Activities and Changes in Net Assets .....	3
Statements of Cash Flows .....	4
Statements of Functional Expenses .....	5 - 6
Notes to Financial Statements .....	7 - 13

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, 2017 and 2016, 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***

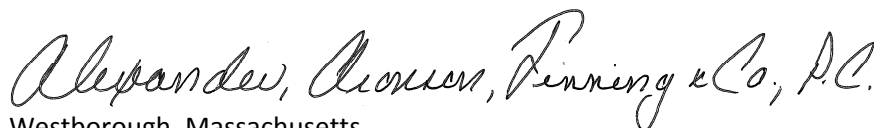
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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, 2017 and 2016, 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.

  
Westborough, Massachusetts  
December 4, 2017

**BOSTON AREA RAPE CRISIS CENTER, INC.**Statements of Financial Position  
June 30, 2017 and 2016

<b>Assets</b>	<b>2017</b>	<b>2016</b>
Current Assets:		
Cash	\$ 538,260	\$ 707,250
Certificate of deposit	215,055	214,948
Funds held for others	13,000	-
Accounts receivable	545,605	377,791
Prepaid expenses	8,397	15,181
Total current assets	1,320,317	1,315,170
Restricted Cash	45,000	10,000
Property and Equipment, net of accumulated depreciation	41,974	40,833
Total assets	<u>\$ 1,407,291</u>	<u>\$ 1,366,003</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 60,124	\$ 105,809
Accrued expenses	200,481	159,169
Funds held for others	13,000	-
Total current liabilities	273,605	264,978
Net Assets:		
Unrestricted:		
Operating	976,702	949,002
Board designated	35,190	35,190
Property and equipment	41,974	40,833
Total unrestricted	1,053,866	1,025,025
Temporarily restricted	79,820	76,000
Total net assets	<u>1,133,686</u>	<u>1,101,025</u>
Total liabilities and net assets	<u>\$ 1,407,291</u>	<u>\$ 1,366,003</u>

**BOSTON AREA RAPE CRISIS CENTER, INC.**
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended June 30, 2017 and 2016**

	<b>2017</b>			<b>2016</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Operating Revenues and Support:</b>						
Special events:						
Contributions	\$ 598,724	\$ -	\$ 598,724	\$ 422,047	\$ -	\$ 422,047
Event revenue	123,800	-	123,800	132,772	-	132,772
	<u>722,524</u>	<u>-</u>	<u>722,524</u>	<u>554,819</u>	<u>-</u>	<u>554,819</u>
Less - direct expenses	200,566	-	200,566	175,084	-	175,084
Total special events, net	<u>521,958</u>	<u>-</u>	<u>521,958</u>	<u>379,735</u>	<u>-</u>	<u>379,735</u>
Program service fees and contracts	2,124,346	-	2,124,346	1,972,051	-	1,972,051
Donated goods and services	653,664	-	653,664	487,494	-	487,494
Grants and contributions	430,087	116,000	546,087	324,266	138,000	462,266
Other	44,620	-	44,620	26,152	-	26,152
Net assets released from program restrictions	147,180	(147,180)	-	72,000	(72,000)	-
Net assets released from time restrictions	-	-	-	13,688	(13,688)	-
Total operating revenues and support	<u>3,921,855</u>	<u>(31,180)</u>	<u>3,890,675</u>	<u>3,275,386</u>	<u>52,312</u>	<u>3,327,698</u>
<b>Operating Expenses:</b>						
Program services:						
Client Services, including \$377,352 and \$272,289 of donated services for the years ended June 30, 2017 and 2016, respectively	1,603,835	-	1,603,835	1,859,365	-	1,859,365
Community Engagement and Prevention, including \$235,728 and \$162,825 of donated services for the years ended June 30, 2017 and 2016, respectively	1,066,455	-	1,066,455	500,495	-	500,495
Total program services	<u>2,670,290</u>	<u>-</u>	<u>2,670,290</u>	<u>2,359,860</u>	<u>-</u>	<u>2,359,860</u>
Supporting services:						
General and administrative	578,863	-	578,863	281,623	-	281,623
Development	643,861	-	643,861	447,665	-	447,665
Total supporting services	<u>1,222,724</u>	<u>-</u>	<u>1,222,724</u>	<u>729,288</u>	<u>-</u>	<u>729,288</u>
Total operating expenses	<u>3,893,014</u>	<u>-</u>	<u>3,893,014</u>	<u>3,089,148</u>	<u>-</u>	<u>3,089,148</u>
Changes in net assets from operations	28,841	(31,180)	(2,339)	186,238	52,312	238,550
<b>Non-Operating Revenues:</b>						
Capital grants and contributions	-	35,000	35,000	-	-	-
Changes in net assets	28,841	3,820	32,661	186,238	52,312	238,550
<b>Net Asset:</b>						
Beginning of year	<u>1,025,025</u>	<u>76,000</u>	<u>1,101,025</u>	<u>838,787</u>	<u>23,688</u>	<u>862,475</u>
End of year	<u>\$ 1,053,866</u>	<u>\$ 79,820</u>	<u>\$ 1,133,686</u>	<u>\$ 1,025,025</u>	<u>\$ 76,000</u>	<u>\$ 1,101,025</u>

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

## Statements of Cash Flows

For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 32,661	\$ 238,550
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	18,047	23,699
Capital grants and contributions	(35,000)	-
Changes in operating assets and liabilities:		
Accounts receivable	(167,814)	(98,758)
Prepaid expenses	6,784	8,050
Accounts payable	(45,685)	8,017
Accrued expenses	41,312	30,067
Deferred income	-	(20,307)
Net cash provided by (used in) operating activities	<u>(149,695)</u>	<u>189,318</u>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of property and equipment	(19,188)	-
Purchase of certificate of deposit	(215,055)	(214,948)
Restricted cash	(35,000)	-
Proceeds from maturity of certificate of deposit	<u>214,948</u>	<u>214,832</u>
Net cash used in investing activities	<u>(54,295)</u>	<u>(116)</u>
<b>Cash Flows from Financing Activities:</b>		
Capital grants and contributions	<u>35,000</u>	<u>-</u>
<b>Net Change in Cash</b>	<b>(168,990)</b>	<b>189,202</b>
<b>Cash:</b>		
Beginning of year	<u>707,250</u>	<u>518,048</u>
End of year	<u><u>\$ 538,260</u></u>	<u><u>\$ 707,250</u></u>

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

## Statement of Functional Expenses

For the Year Ended June 30, 2017

(With Summarized Comparative Totals for the Year Ended June 30, 2016)

	2017						2016
	Program Services			Supporting Services			
	Client Services	Community Engagement and Prevention	Total Program Services	General and Administrative	Development	Total	Total
<b>Operating Expenses:</b>							
Salaries and related:							
Salaries	\$ 727,999	\$ 482,072	\$ 1,210,071	\$ 298,106	\$ 378,172	\$ 1,886,349	\$ 1,382,685
Donated services	377,352	235,728	613,080	11,430	3,330	627,840	461,670
Employee benefits	79,099	53,860	132,959	33,086	42,251	208,296	146,753
Payroll taxes	61,920	42,162	104,082	25,899	33,075	163,056	116,423
Contracted service	27,300	18,200	45,500	67,604	22,976	136,080	198,536
Total salaries and related	1,273,670	832,022	2,105,692	436,125	479,804	3,021,621	2,306,067
Program costs:							
Volunteer expenses	26,968	46,486	73,454	752	206	74,412	51,289
Counseling and supervision	32,958	539	33,497	54	-	33,551	67,724
Communications	9,952	13,872	23,824	1,031	-	24,855	18,605
Program supplies	8,797	1,579	10,376	351	574	11,301	3,814
Total program costs	78,675	62,476	141,151	2,188	780	144,119	141,432
Occupancy:							
Rent	64,106	42,450	106,556	24,315	33,475	164,346	111,952
Donated rent	16,978	3,084	20,062	1,172	4,590	25,824	25,824
Depreciation	11,865	2,155	14,020	819	3,208	18,047	23,699
Other	-	-	-	740	-	740	126
Total occupancy	92,949	47,689	140,638	27,046	41,273	208,957	161,601
Other:							
Consultants	49,293	43,161	92,454	18,524	32,770	143,748	199,113
Office expenses	25,891	29,341	55,232	33,291	24,326	112,849	80,750
Trainings and conferences	38,107	9,480	47,587	3,637	2,641	53,865	26,379
Minor equipment and maintenance	15,486	20,997	36,483	3,321	-	39,804	18,969
Printing and postage	7,463	8,049	15,512	370	20,913	36,795	44,522
Telephone and internet	13,960	9,244	23,204	5,294	7,291	35,789	28,736
Audit	-	-	-	33,200	-	33,200	30,600
Credit card processing	-	-	-	-	30,600	30,600	25,471
Insurance	6,400	2,419	8,819	2,375	2,389	13,583	9,768
Legal	-	-	-	9,349	-	9,349	-
Miscellaneous	1,941	1,577	3,518	4,143	1,074	8,735	15,740
Total other	158,541	124,268	282,809	113,504	122,004	518,317	480,048
Total operating expenses before general and administrative allocation	1,603,835	1,066,455	2,670,290	578,863	643,861	3,893,014	3,089,148
General and administrative allocation	280,132	186,271	466,403	(578,863)	112,460	-	-
Total operating expenses	\$ 1,883,967	\$ 1,252,726	\$ 3,136,693	\$ -	\$ 756,321	\$ 3,893,014	\$ 3,089,148

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, 2016

	Program Services			Supporting Services		Total
	Client Services	Community Engagement and Prevention	Total Program Services	General and Administrative	Development	
<b>Operating Expenses:</b>						
Salaries and related:						
Salaries	\$ 909,031	\$ 165,110	\$ 1,074,141	\$ 62,752	\$ 245,792	\$ 1,382,685
Donated services	272,289	162,825	435,114	25,056	1,500	461,670
Employee benefits	89,618	33,151	122,769	6,728	17,256	146,753
Payroll taxes	76,775	13,836	90,611	5,213	20,599	116,423
Contracted service	34,396	6,247	40,643	123,262	34,631	198,536
Total salaries and related	<u>1,382,109</u>	<u>381,169</u>	<u>1,763,278</u>	<u>223,011</u>	<u>319,778</u>	<u>2,306,067</u>
Program costs:						
Volunteer expenses	21,951	26,752	48,703	526	2,060	51,289
Counseling and supervision	67,163	498	67,661	63	-	67,724
Communications	448	17,245	17,693	912	-	18,605
Program supplies	431	3,383	3,814	-	-	3,814
Total program costs	<u>89,993</u>	<u>47,878</u>	<u>137,871</u>	<u>1,501</u>	<u>2,060</u>	<u>141,432</u>
Occupancy:						
Rent	73,602	13,368	86,970	5,081	19,901	111,952
Donated rent	16,978	3,084	20,062	1,172	4,590	25,824
Depreciation	15,580	2,830	18,410	1,076	4,213	23,699
Other	82	15	97	6	23	126
Total occupancy	<u>106,242</u>	<u>19,297</u>	<u>125,539</u>	<u>7,335</u>	<u>28,727</u>	<u>161,601</u>
Other:						
Consultants	174,795	23,844	198,639	96	378	199,113
Office expenses	44,113	8,669	52,782	8,195	19,773	80,750
Trainings and conferences	19,412	2,868	22,280	3,622	477	26,379
Minor equipment and maintenance	11,562	2,100	13,662	1,276	4,031	18,969
Printing and postage	1,844	2,905	4,749	228	39,545	44,522
Telephone and internet	19,436	3,980	23,416	1,082	4,238	28,736
Audit	-	-	-	30,600	-	30,600
Credit card processing	-	-	-	-	25,471	25,471
Insurance	5,876	695	6,571	2,162	1,035	9,768
Miscellaneous	3,983	7,090	11,073	2,515	2,152	15,740
Total other	<u>281,021</u>	<u>52,151</u>	<u>333,172</u>	<u>49,776</u>	<u>97,100</u>	<u>480,048</u>
Total operating expenses before general and administrative allocation	1,859,365	500,495	2,359,860	281,623	447,665	3,089,148
General and administrative allocation	<u>186,513</u>	<u>50,205</u>	<u>236,718</u>	<u>(281,623)</u>	<u>44,905</u>	<u>-</u>
Total operating expenses	<u>\$ 2,045,878</u>	<u>\$ 550,700</u>	<u>\$ 2,596,578</u>	<u>\$ -</u>	<u>\$ 492,570</u>	<u>\$ 3,089,148</u>

The accompanying notes are an integral part of these statements.



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

Notes to Financial Statements  
June 30, 2017 and 2016

---

### **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 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 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.

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

Notes to Financial Statements  
June 30, 2017 and 2016

---

### **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. All qualifying assets and liabilities are valued using level 1 inputs.

#### **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, 2017 and 2016. 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, 2017 and 2016, BARCC had a certificate of deposit with a maturity of three months, at an interest rate of .05%, and maturing on September 29, 2017 and 2016. Management reinvests the certificate of deposit upon maturity. On September 29, 2017, the certificate of deposit was renewed for an additional three months.

#### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable at June 30, 2017 and 2016, 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, 2017 and 2016.

#### **Funds Held for Others**

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

## BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements  
June 30, 2017 and 2016

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Restricted Cash

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

#### Property and Equipment and Depreciation

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

	<b><u>Estimated Useful Lives</u></b>
Office equipment	3 - 5 years
Furniture	3 years
Leasehold improvements	Lease term

Office equipment with a cost of \$19,665 at June 30, 2017 and 2016, and a net book value of zero has been acquired with funds received from the Commonwealth of Massachusetts. The Commonwealth of Massachusetts retains a reversionary interest in these assets.

#### Revenue Recognition

Restricted grants and contributions are recorded as temporarily restricted revenues and net assets when received or unconditionally pledged. Transfers are made to unrestricted net assets as donor restrictions have been satisfied.

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

#### Expense Allocations

Expenses related directly to a program are distributed to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

#### 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 \$627,840 and \$461,670 of volunteer services for the years ended June 30, 2017 and 2016, respectively. BARCC received \$25,824 of donated rent for the years ended June 30, 2017 and 2016 (see Note 6).

## BOSTON AREA RAPE CRISIS CENTER, INC.

Notes to Financial Statements  
June 30, 2017 and 2016

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Subsequent Events

Subsequent events have been evaluated through December 4, 2017, 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.

#### Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and support and operating expenses in the accompanying statements of activities and changes in net assets. Non-operating revenues include capital grants and contributions activity.

### 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*** - represent funds set aside by the Board of Directors to be used for new program development and infrastructure projects.

***Property and equipment net assets*** - represent 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, 2017 and 2016, are restricted for the following:

	<u>2017</u>	<u>2016</u>
Capital	\$ 45,000	\$ 10,000
Time	25,000	-
Purpose	<u>9,820</u>	<u>66,000</u>
	<u>\$ 79,820</u>	<u>\$ 76,000</u>

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

Notes to Financial Statements  
June 30, 2017 and 2016

---

**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 support and accounts receivable are as follows as of and for the years ended June 30:

	<b>% of Operating Revenues and Support</b>		<b>% of Accounts Receivable</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Massachusetts Department of Public Health	22%	28%	14%	40%
Massachusetts Office for Victim Assistance	18%	11%	55%	30%

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, 2017 and 2016, 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:

	<b><u>2017</u></b>	<b><u>2016</u></b>
Office equipment	\$ 83,479	\$ 83,479
Furniture	25,176	25,176
Leasehold improvements	<u>85,190</u>	<u>66,002</u>
	193,845	174,657
Less - accumulated depreciation	<u>151,871</u>	<u>133,824</u>
Net property and equipment	<u>\$ 41,974</u>	<u>\$ 40,833</u>

Depreciation expense for the years ended June 30, 2017 and 2016, was \$18,047 and \$23,699, respectively.

**6. LEASES**

BARCC 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 2022. Rent expense, including certain operating expenses, for this office space was \$164,346 and \$111,952 for the years ended June 30, 2017 and 2016, respectively. The lease provided for free rent for a portion of the space for the initial three months. The effect of recording rent straight-line over the term of the lease is not material to the accompanying financial statements.

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, 2017 and 2016, 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, 2017 and 2016.

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

Notes to Financial Statements  
June 30, 2017 and 2016

---

**6. LEASES (Continued)**

Remaining future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 190,690
2019	197,895
2020	205,500
2021	213,105
2022	<u>17,812</u>
Total	<u>\$ 825,002</u>

BARCC leased office equipment under an operating lease which expired in March 2017. This agreement 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.

Future minimum payments under this lease agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 4,200
2019	4,200
2020	4,200
2021	4,200
2022	<u>4,200</u>
Total	<u>\$ 21,000</u>

**7. RELATED PARTY TRANSACTION**

During fiscal year 2017, architectural services were provided by a relative of the Executive Director for fees totaling \$19,188, and are included in property and equipment in the accompanying financial statements. The related party transaction is disclosed and approved in accordance with BARCC's conflict of interest policy. There were no related party transactions during fiscal year 2016.

**8. LINE OF CREDIT**

BARCC has a \$250,000 line of credit with a local financial institution. Borrowings under the agreement are due on demand and interest is payable monthly at the bank's base lending rate of 4.25% and 3.50% (plus 1%) at June 30, 2017 and 2016, respectively. The line of credit is secured by all business assets of BARCC and is renewed annually. As of June 30, 2017 and 2016, 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, 2017 and 2016.

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

Notes to Financial Statements  
June 30, 2017 and 2016

---

### **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. CONDITIONAL GRANT**

During fiscal year 2017, BARCC was awarded a \$100,000 grant, of which \$25,000 was recognized as of June 30, 2017, and is recorded in accounts receivable in the accompanying fiscal year 2017 statement of financial position. Receipt of the balance of the grant is conditional upon BARCC meeting certain terms of the grant award. As of June 30, 2017, BARCC has not met the requirements of the grant and, as such, the remaining \$75,000 was not recognized during fiscal year 2017.

### **12. RECLASSIFICATION**

Certain amounts in the fiscal year 2016 financial statements have been reclassified to conform to the fiscal year 2017 presentation.