

**KING COUNTY SEXUAL ASSAULT
RESOURCE CENTER**

FINANCIAL REPORT

DECEMBER 31, 2004

C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF FUNCTIONAL EXPENSES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 8



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
King County Sexual Assault Resource Center
Renton, Washington

We have audited the accompanying statements of financial position of King County Sexual Assault Resource Center ("the Resource Center") as of December 31, 2004 and 2003, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Resource Center's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of King County Sexual Assault Resource Center as of December 31, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2005, on our consideration of the Resource Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Peterson Sullivan PLLC

February 2, 2005

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FINANCIAL POSITION

December 31, 2004 and 2003

ASSETS	2004	2003
Current Assets		
Cash and cash equivalents	\$ 266,936	\$ 265,645
Contracts receivable	176,327	194,793
Prepaid expenses	37,165	34,207
Total current assets	480,428	494,645
Investments	15,957	14,785
Furniture and Equipment	188,530	190,529
Less: Accumulated Depreciation	(184,119)	(171,137)
	20,368	34,177
Total assets	\$ 500,796	\$ 528,822
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 66,407	\$ 67,660
Accrued payroll and related liabilities	41,177	48,319
Deferred revenue	35,042	69,494
Total current liabilities	142,626	185,473
Net Assets		
Unrestricted	358,170	343,349
Total liabilities and net assets	\$ 500,796	\$ 528,822

See Notes to Financial Statements

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2004 and 2003

	2004	2003
Support and Revenue		
Contributions	\$ 316,183	\$ 335,908
Fundraising events, net of direct costs of \$58,011 in 2004 and \$46,524 in 2003	277,958	244,726
In-kind contributions	79,233	
Fees and grants from government agencies	1,202,208	1,199,592
United Way donations and fees for services	104,025	100,303
Client/training fees	9,733	8,286
Interest and dividend income	2,015	67
Gain/(loss) on investment activities	1,934	(77)
Other revenue	1,678	1,614
	1,994,967	1,890,419
Expenses		
Program services	1,429,505	1,321,930
Management and general	225,343	207,923
Fundraising	325,298	263,277
	1,980,146	1,793,130
Change in net assets	14,821	97,289
Net Assets, beginning of year	343,349	246,060
Net Assets, end of year	\$ 358,170	\$ 343,349

See Notes to Financial Statements

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2004 and 2003

	2004					
	Program Services			Supporting Services		Grand Total
	Client Services	Education	Total Program Services	Management and General	Fundraising	
Salaries, benefits and taxes	\$ 952,551	\$ 164,878	\$ 1,117,429	\$ 112,171	\$ 225,397	\$ 1,454,997
Program expenses	111,637	28,091	139,728	94,168	66,734	300,630
Indirect expenses	149,464	22,884	172,348	19,004	33,167	224,519
	<u>\$ 1,213,652</u>	<u>\$ 215,853</u>	<u>\$ 1,429,505</u>	<u>\$ 225,343</u>	<u>\$ 325,298</u>	<u>\$ 1,980,146</u>
	2003					
	Program Services			Supporting Services		Grand Total
	Client Services	Education	Total Program Services	Management and General	Fundraising	
Salaries, benefits and taxes	\$ 914,833	\$ 162,040	\$ 1,076,873	\$ 126,751	\$ 206,356	\$ 1,409,980
Program expenses	54,477	19,105	73,582	62,970	24,905	161,457
Indirect expenses	148,303	23,172	171,475	18,202	32,016	221,693
	<u>\$ 1,117,613</u>	<u>\$ 204,317</u>	<u>\$ 1,321,930</u>	<u>\$ 207,923</u>	<u>\$ 263,277</u>	<u>\$ 1,793,130</u>

See Notes to Financial Statements

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2004 and 2003

	2004	2003
Cash Flows from Operating Activities		
Grants and other cash received	\$ 1,950,810	\$ 1,926,575
Cash paid to employees and suppliers	(1,955,297)	(1,778,396)
Cash flows from operating activities	(4,487)	148,179
Cash Flows from Investing Activities		
Proceeds from sale of investments	6,975	
Purchase of investments	(1,197)	
Purchase of equipment		(12,162)
Cash flows from investing activities	5,778	(12,162)
Net change in cash and cash equivalents	1,291	136,017
Cash and Cash Equivalents, beginning of year	265,645	129,628
Cash and Cash Equivalents, end of year	\$ 266,936	\$ 265,645
Reconciliation of Change in Net Assets to Net		
Cash Flows from Operating Activities		
Change in net assets	\$ 14,821	\$ 97,289
Contributions of stock investments	(5,015)	(5,801)
Depreciation	14,980	28,429
Loss (gain) on investment activity	(1,934)	77
Change in operating assets and liabilities		
Contracts receivable	18,466	(44,331)
Prepaid expenses	(2,958)	(462)
Accounts payable and accrued expenses	(8,395)	33,291
Deferred revenue	(34,452)	39,687
Net cash flows from operating activities	\$ (4,487)	\$ 148,179

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

Organization

King County Sexual Assault Resource Center ("the Resource Center") is an agency formed to provide services to victims of sexual assault and their families (alleviating the trauma of the assault as much as possible) and to change community response to victims of sexual assault. Direct victim services include: 24-hour telephone crisis intervention, individual therapy, and legal and medical advocacy. In addition, the agency provides continuous education as the key to preventing sexual assault.

A substantial portion of fees and contracts (and related contracts receivable) are from contracts administered by various State of Washington and local government agencies. Funding from these sources is not guaranteed for future periods.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimates that were used.

Financial Statement Presentation

The Resource Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Resource Center has no temporarily restricted or permanently restricted net assets, so these classes of net assets are not shown on the financial statements.

Contributions

The Resource Center records grants and contributions received as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted contributions are recorded as temporarily restricted support and are then reclassified to unrestricted net assets when the restrictions are met. Temporarily restricted contributions that are used for their restricted purpose in the same year as received are classified as unrestricted contributions.

The Resource Center has received a \$50,000 conditional pledge from a foundation. The future donation is conditional upon various factors including advancement of specific programs. This conditional pledge has not been recognized in these financial statements, but will be if all conditions are met.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in a bank and money market funds. On occasion, the Resource Center has cash balances at a bank that are in excess of federally insured limits.

Investments

Investments are stated at market value, and represent balances set aside by the Board of Trustees to be held separately to fund future shortfalls should shortfalls arise. At December 31, 2004 and 2003, investments consisted of two equity securities and a money market fund.

Furniture and Equipment

Furniture and equipment are recorded at cost or, in the case of donated property, at the estimated fair market value at the date of donation. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets. The capitalization policy threshold is \$1,000.

Deferred Revenue

Deferred revenue consists primarily of sponsorship funds received in advance for the following year's fundraising events. These revenues are recognized when the events take place.

In-Kind Contributions

Contributed services are recognized at the estimated fair value of the services received. These services are recognized if the services received require specialized skills that are provided by individuals possessing those skills and would need to be purchased if not provided by donation. In-kind contributions in 2004 consist of legal fees, promotional video production, and advertising. There were no significant in-kind donations in 2003.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated between program and supporting services.

Income Taxes

The Resource Center is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Note 2. Leased Facilities

Office facilities used by the Resource Center are rented under a noncancelable operating lease that expires in 2009. Rent expense was approximately \$139,000 in 2004 and \$125,200 in 2003.

Future lease payments under the lease described above are as follows for the years ended December 31:

2005	\$ 143,800
2006	147,500
2007	151,200
2008	154,900
2009	<u>38,900</u>
	<u>\$ 636,300</u>