

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2011 AND 2010

OMB A-133 SUPPLEMENTARY FINANCIAL REPORTS
YEAR ENDED DECEMBER 31, 2011

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITOR'S REPORT

May 16, 2012

Board of Directors
King County Sexual Assault Resource Center
Renton, Washington

We have audited the accompanying statement of financial position of King County Sexual Assault Resource Center, a nonprofit corporation, as of December 31, 2011 and the related statements of activity, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of King County Sexual Assault Resource Center. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of King County Sexual Assault Resource Center as of December 31, 2010, were audited by other auditors whose report dated May 4, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 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 audit provides 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, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2012 on our consideration of King County Sexual Assault Resource Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of King County Sexual Assault Resource Center taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Jacobson Jarvis & Co, PLLC

Jacobson Jarvis & Co, PLLC

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>		
	<u>2011</u>	<u>2010</u>
Current Assets		
Cash and cash equivalents	\$ 1,373,013	\$ 1,210,696
Grants receivable	517,757	521,301
Promise to give, current	166,551	48,333
Other receivables	-	16,000
Prepays and deposits	<u>40,401</u>	<u>63,941</u>
Total Current Assets	2,097,722	1,860,271
Furniture and equipment	345,782	262,916
Accumulated depreciation	<u>(207,018)</u>	<u>(175,248)</u>
Net Furniture and Equipment	<u>138,764</u>	<u>87,668</u>
	<u>\$ 2,236,486</u>	<u>\$ 1,947,939</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 67,245	\$ 61,712
Accrued payroll and related liabilities	190,368	166,147
Deferred revenue	39,750	94,030
Current portion, copier lease	<u>6,336</u>	<u>-</u>
Total Current Liabilities	303,699	321,889
Copier Lease, less current portion above	<u>25,667</u>	<u>-</u>
Total Liabilities	<u>329,366</u>	<u>321,889</u>
Net Assets		
Unrestricted	1,769,512	1,437,044
Temporarily restricted	<u>137,608</u>	<u>189,006</u>
Total Net Assets	<u>1,907,120</u>	<u>1,626,050</u>
	<u>\$ 2,236,486</u>	<u>\$ 1,947,939</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF ACTIVITY

YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public Support and Revenue						
Government grants	\$ 2,665,630	\$ -	\$ 2,665,630	\$ 2,284,065	\$ -	\$ 2,284,065
Private grants and contributions	543,571	97,142	640,713	563,550	189,006	752,556
In-kind contributions	23,950	-	23,950	17,060	-	17,060
Fundraising events	372,915	-	372,915	330,538	-	330,538
United Way	55,456	-	55,456	62,379	-	62,379
Fee for service	99,725	-	99,725	9,166	-	9,166
Interest earned	5,411	-	5,411	3,549	-	3,549
Miscellaneous	1,771	-	1,771	8,295	-	8,295
Net assets released from purpose restrictions	148,540	(148,540)	-	80,878	(80,878)	-
Total Public Support and Revenue	3,916,969	(51,398)	3,865,571	3,359,480	108,128	3,467,608
Expenses						
Program services	2,718,270	-	2,718,270	2,269,614	-	2,269,614
Management and general	415,928	-	415,928	210,851	-	210,851
Fundraising	450,303	-	450,303	401,941	-	401,941
Total Expenses	3,584,501	-	3,584,501	2,882,406	-	2,882,406
Total Change in Net Assets	332,468	(51,398)	281,070	477,074	108,128	585,202
Net Assets - beginning of year	1,437,044	189,006	1,626,050	959,970	80,878	1,040,848
Net Assets - end of year	\$ 1,769,512	\$ 137,608	\$ 1,907,120	\$ 1,437,044	\$ 189,006	\$ 1,626,050

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011						2010					
	Client Services	Prevention/Education	Total Program Services	Management and General	Fundraising	Total	Client Services	Prevention/Education	Total Program Services	Management and General	Fundraising	Total
Salaries, benefits, and taxes	\$1,912,303	\$ 190,501	\$2,102,804	\$ 334,461	\$ 203,012	\$2,640,277	\$1,602,962	\$ 175,371	\$1,778,333	\$ 146,761	\$ 215,329	\$2,140,423
Professional fees	225,099	38,289	263,388	27,168	131,544	422,100	120,164	14,866	135,030	31,247	40,325	206,602
Occupancy	97,394	12,402	109,796	11,364	10,473	131,633	81,402	10,494	91,896	3,414	9,707	105,017
Travel and events	32,761	15,776	48,537	10,675	33,213	92,425	24,950	4,552	29,502	3,964	101,811	135,277
Depreciation	39,366	2,554	41,920	4,163	3,997	50,080	26,066	1,919	27,985	1,047	3,306	32,338
Miscellaneous	23,802	741	24,543	8,122	14,404	47,069	16,313	1,818	18,131	3,880	7,082	29,093
Supplies	23,394	2,445	25,839	1,853	14,863	42,555	25,598	2,834	28,432	1,044	7,728	37,204
Repairs and maintenance	25,038	2,487	27,525	4,743	8,367	40,635	39,291	1,821	41,112	848	7,292	49,252
Communication	21,961	1,572	23,533	4,642	1,823	29,998	22,224	3,215	25,439	4,451	2,237	32,127
Program expenses and fees	9,477	8,019	17,496	-	-	17,496	52,279	1,977	54,256	-	-	54,256
Insurance	10,879	638	11,517	4,595	998	17,110	8,655	1,116	9,771	4,978	1,032	15,781
Conference fees	390	26	416	543	14,626	15,585	3,472	1,936	5,408	1,914	1,338	8,660
Printing	5,520	389	5,909	209	7,854	13,972	8,348	195	8,543	7	33	8,583
Dues and subscriptions	7,168	1,184	8,352	982	1,929	11,263	6,690	350	7,040	740	1,401	9,181
Postage and shipping	3,326	221	3,547	733	1,353	5,633	4,110	298	4,408	779	2,264	7,451
Training	1,845	578	2,423	1,300	479	4,202	4,106	128	4,234	5,677	978	10,889
Advertising	400	325	725	375	1,368	2,468	94	-	94	100	78	272
Total Expenses	<u>\$2,440,123</u>	<u>\$ 278,147</u>	<u>\$2,718,270</u>	<u>\$ 415,928</u>	<u>\$ 450,303</u>	<u>\$3,584,501</u>	<u>\$2,046,724</u>	<u>\$ 222,890</u>	<u>\$2,269,614</u>	<u>\$ 210,851</u>	<u>\$ 401,941</u>	<u>\$2,882,406</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows Used by Operating Activities		
Cash received from:		
Governmental agencies	\$ 2,669,174	\$ 2,062,602
Donors	893,709	1,166,207
Service fees and other revenue	101,496	17,461
Interest received	5,411	3,567
Cash paid for:		
Personnel	(2,616,056)	(2,117,278)
Vendors	(838,165)	(711,796)
Interest paid	<u>(2,570)</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>212,999</u>	<u>420,763</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(65,181)	(23,865)
Proceeds from sale of donated stock	<u>18,877</u>	<u>5,030</u>
Net Cash Used by Investing Activities	<u>(46,304)</u>	<u>(18,835)</u>
Cash Flows Used by Financing Activities		
Repayments on capital lease obligations	<u>(4,378)</u>	<u>-</u>
Changes in Cash and Cash Equivalents	162,317	401,928
Cash and Cash Equivalents - beginning of year	<u>1,210,696</u>	<u>808,768</u>
Cash and Cash Equivalents - end of year	<u>\$ 1,373,013</u>	<u>\$ 1,210,696</u>
Supplemental Information		
Noncash investing and financing activity:		
Purchase of equipment through issuance of capital lease	<u>\$ 36,381</u>	<u>\$ -</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Reconciliation of Changes in Net Assets to Net Cash		
From Operating Activities		
Change in net assets	\$ 281,070	\$ 585,202
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	50,080	32,338
Contributions of stock	(18,877)	(5,030)
Loss on disposal of equipment	386	-
Decrease (increase) in		
Grants receivable	3,544	(221,463)
Promises to give	(118,218)	(8,597)
Accounts receivable	16,000	(16,000)
Prepays and deposits	23,540	(36,489)
Increase (decrease) in		
Accounts payable	5,533	17,277
Accrued payroll liabilities	24,221	23,145
Deferred revenue	<u>(54,280)</u>	<u>50,380</u>
Net Cash Provided by Operating Activities	<u>\$ 212,999</u>	<u>\$ 420,763</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 2011 AND 2010

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

King County Sexual Assault Resource Center provides comprehensive treatment and advocacy services to victims of sexual assault and their families, as well as prevention and education to the community. The long-range vision of King County Sexual Assault Resource Center is for a community free of sexual violence. King County Sexual Assault victim and family services include: 24-hour resource telephone line staffed by professional staff, legal advocacy services, family support programs, and individual and group therapy. Dando Voz, a program for the Spanish speaking community, provides state of the art prevention and education programs to the community through engagement programs, training, and responding to community concerns.

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

Basis of presentation

In accordance with generally accepted accounting principles, the King County Sexual Assault 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. King County Sexual Assault Resource Center had no permanently restricted net assets at December 31, 2011 and 2010. The net assets of King County Sexual Assault Resource Center are classified as follows:

Unrestricted net assets are available without restriction for support of King County Sexual Assault Resource Center's operations.

Temporarily restricted net assets are restricted to be used for certain purposes or future periods by King County Sexual Assault Resource Center. Temporarily restricted net assets are available as follows:

	<u>2011</u>	<u>2010</u>
Cyber Safety	\$ 104,920	\$ 111,662
Dando Voz	32,688	62,150
PCIT program	-	10,194
Therapy- Child/Youth	-	5,000
	<u>\$ 137,608</u>	<u>\$ 189,006</u>

Federal income taxes

The Internal Revenue Service has recognized King County Sexual Assault Resource Center as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 2011 AND 2010

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents consist of general checking, savings, and money market accounts. King County Sexual Assault Resource Center maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. King County Sexual Assault Resource Center has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Fair value measurements

In accordance with Financial Accounting Standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial Accounting Standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

As of December 31, 2011, King County Sexual Assault Resource Center had no assets or liabilities measured at fair value on a recurring basis. Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return which is a level 3 input. King County Sexual Assault Resource Center also uses fair value concepts to test various long-lived assets for impairment.

Grants receivable

Grants receivables are based on billings submitted for reimbursement under contracts with various governmental agencies, are stated at net realizable value, and are considered fully collectible by management.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 2011 AND 2010

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give of \$167,303 and \$51,553 are shown net of the allowance for uncollectible amounts of \$752 and \$3,220 at December 31, 2011 and 2010, respectively, and are due in less than one year.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. During 2010, King County Sexual Assault Resource Center received a conditional pledge of \$200,000. The pledge is restricted for the Cyber Safety Program and receipt of the pledge is conditional upon the receipt of an additional \$200,000 in contributions over the next three years related to the Cyber Safety Program. For the years ended December 31, 2011 and 2010, King County Sexual Assault Resource Center was able to match \$72,142 and \$73,450, respectively, under this conditional pledge and has recorded contribution revenue for that amount. As the likelihood of meeting of the conditions of the remaining pledge amount of \$54,408 was unknown at December 31, 2011, that amount has not been recognized in these financial statements.

Furniture and equipment

Furniture and equipment are stated at cost or, if donated, at market value at date of donation. Furniture and equipment with an original cost of \$1,000 or greater are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, principally three to seven years.

Deferred revenue and revenue recognition

Deferred revenue consist primarily of sponsorship funds received in advance for the following year's fundraising events. These revenues are recognized when the events take place. King County Sexual Assault Resource Center recognizes grant revenue when amounts allowed to be billed for reimbursement according to the terms of the grant contract have been expended. Gifts and contributions are recognized as revenue when the pledge is made.

Restricted and unrestricted support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the year in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 2011 AND 2010

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gifts of equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

In-kind goods and services

Contributed materials have been recorded on the basis of rates that otherwise would have been paid for similar goods. Donated services are recorded as in-kind contributions and are recognized as revenue at estimated values at the date of receipt if they (a) create or enhance non-financial assets, or (b) require specialized skills and would need to be purchased if not provided by donation. Corresponding expenses are recognized as the assets and services are utilized. For the years ended December 31, 2011 and 2010, in-kind contributions of \$23,950 and \$17,060, respectively, consisted primarily of professional fees and advertising expenses.

Fees from government agencies

A substantial portion of fees from government agencies is derived from grants and contracts administered by various federal, state, and local government agencies. Revenue from these grants and contracts is subject to audits, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended December 31, 2011 and 2010 no such adjustments were made.

Concentration of support and receivables

For the years ended December 31, 2011 and 2010, two governmental agencies provided 37% and 30%, respectively, of King County Sexual Assault Resource Center's total support and revenue. At December 31, 2011 and 2010, approximately 52% and 59%, respectively, of King County Sexual Assault Resource Center's grants receivables were due from the same two governmental agencies. A significant reduction in the level of this support or default on amounts receivable, if this were to occur, would have a significant effect on King County Sexual Assault Resource Center's programs and activities.

At December 31, 2011, 48% of unconditional promises to give were due from two donors. At December 31, 2010, 29% of unconditional promises to give were due from one donor.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 2011 AND 2010

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of unrestricted activities and of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Reclassifications

Certain amounts in the 2010 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the total net assets or total change in net assets as of or for the year ended December 31, 2010.

NOTE B - LINE OF CREDIT

King County Sexual Assault Resource Center has a \$100,000 revolving line of credit. The line of credit bears interest at 6% and matures in January 2013. There was no outstanding balance on the line of credit at December 31, 2011 or 2010.

NOTE C - LEASE OBLIGATIONS

King County Sexual Assault Resource Center leases office facilities under a non-cancelable lease that expires in 2015. Rental expense incurred for this lease for the years ended December 31, 2011 and 2010 was \$129,246 and \$105,017, respectively. Related minimum future rental commitments on this lease are:

2012	\$ 132,964
2013	136,674
2014	140,382
2015	<u>23,500</u>
	<u>\$ 433,520</u>

King County Sexual Assault Resource Center leases certain office equipment under a non-cancelable capital lease, with a total recorded cost of \$36,381 and related accumulated depreciation at December 31, 2011 of \$5,457.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 2011 AND 2010

NOTE C – LEASE OBLIGATIONS (Continued)

Total monthly payments are \$772 including interest of 9.95% per annum. Scheduled lease payments for the years ending December 31 are as follows:

2012	\$	9,264
2013		9,264
2014		9,264
2015		9,264
2016		<u>2,316</u>
		39,372
Less amounts for interest		<u>(7,369)</u>
		32,003
Less current portion		<u>(6,336)</u>
	\$	<u><u>25,667</u></u>

NOTE D - PASS-THROUGH CONTRACT OBLIGATIONS

King County Sexual Assault Resource Center serves as an agent for various contracts that pass through to other victim support organizations throughout the year. Such agency transactions are not recorded as revenue or expense by King County Sexual Assault Resource Center. Pass-through obligations are collected in advance and unpaid portions (if any) are included in accounts payable on the statements of financial position. King County Sexual Assault Resource Center passed through \$65,961 and \$74,581 for the years ended December 31, 2011 and 2010, respectively and no amounts were unpaid as of either year end.

NOTE E – RETIREMENT PLAN

King County Sexual Assault Resource Center offers a retirement savings plan (the plan) under section 401(k) of the Internal Revenue Code. King County Sexual Assault Resource Center matches 100% up to 3% of an employee's contribution, and 50% between 3% and 5%. King County Sexual Assault Resource Center's contributions to the plan totaled \$53,082 and \$42,835 for the years ended December 31, 2011 and 2010, respectively.

NOTE F - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2011 through May 16, 2012 which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2011, including the estimates inherent in the processing of financial statements.

SUPPLEMENTARY INFORMATION

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2011

Federal Grantor

<i>Pass-through Grantor</i>	Contract	CFDA	Federal
<u>"Program Title"</u>	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>
Department of Justice			
"Recovery Act Edward Byrne Memorial Competitive Grant Program"	N/A	16.808 *	\$ 449,527
"Services to Advocate for and Respond to Youth"	N/A	16.018	92,589
"Legal Assistance for Victims"	N/A	16.524	49,005
 <i>State of Washington Department of Community, Trade and Economic Development, Office of Crime Victims Advocacy</i>			
"Crime Victims Assistance"	F12-31110-134	16.575 *	93,351
"Crime Victims Assistance"	S11-31119-022	16.575 *	39,458
"Crime Victims Assistance"	S10-31119-703	16.575 *	3,737
"Crime Victims Assistance"	F09-31119-914	16.575 *	49,165
"Crime Victims Assistance"	F11-31119-802	16.575 *	64,257
			<u>249,968</u>
 "Sexual Assault Services Formula Program"	 F09-31110-505	 16.017	 20,204
"Comprehensive Approaches to Sex Offender Management Discretionary Grant"	F10-31116-100	16.203	79,125
			<u>940,418</u>
 Department of Health and Human Services			
<i>State of Washington Department of Community, Trade and Economic Development, Office of Crime Victims Advocacy</i>			
"Injury Prevention and Control Research and State and Community Based Programs"	F11-31110-134	93.136	38,573
 <i>State of Washington Department of Health and Human Services</i>			
"Foster Care-Title IV-E"	0936-73270	93.658	37,500
			<u>76,073</u>
			<u>\$ 1,016,491</u>

* Denotes a major program.

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of King County Sexual Assault Resource Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

May 16, 2012

Board of Directors
King County Sexual Assault Resource Center
Renton, Washington

We have audited the financial statements of King County Sexual Assault Resource Center as of and for the year ended December 31, 2011, and have issued our report thereon dated May 16, 2012. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered King County Sexual Assault Resource Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of King County Sexual Assault Resource Centers' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of King County Sexual Assault Resource Center's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether King County Sexual Assault Resource Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the board of directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

May 16, 2012

Board of Directors
King County Sexual Assault Resource Center
Renton, Washington

Compliance

We have audited the compliance of King County Sexual Assault Resource Center with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2011. King County Sexual Assault Resource Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of King County Sexual Assault Resource Center's management. Our responsibility is to express an opinion on King County Sexual Assault Resource Center's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 King County Sexual Assault Resource Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on King County Sexual Assault Resource Center's compliance with those requirements.

In our opinion, King County Sexual Assault Resource Center complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of King County Sexual Assault Resource Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered King County Sexual Assault Resource Center's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the King County Sexual Assault Resource Center's internal control over compliance.

A deficiency in internal control 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 a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Jacobson Jarvis & Co, PLLC

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of King County Sexual Assault Resource Center.
2. No material weaknesses relating to the financial statements are reported in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of King County Sexual Assault Resource Center were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133."
5. The auditor's report on compliance for the major federal award program for King County Sexual Assault Resource Center expresses an unqualified opinion.
6. Audit findings relative to the major federal award program for King County Sexual Assault Resource Center are reported in Part C of this Schedule.
7. The programs tested as major were Recovery Act Edward Byrne Memorial Competitive Grant Program, CFDA No. 16.808 and Crime Victims Assistance, CFDA No. 16.575.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. King County Sexual Assault Resource Center was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None