

**KING COUNTY SEXUAL ASSAULT  
RESOURCE CENTER**

FINANCIAL REPORT

DECEMBER 31, 2009

## C O N T E N T S

	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b> .....	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
STATEMENTS OF FINANCIAL POSITION .....	2
STATEMENTS OF ACTIVITIES .....	3
STATEMENT OF FUNCTIONAL EXPENSES - 2009 .....	4
STATEMENT OF FUNCTIONAL EXPENSES - 2008 .....	5
STATEMENTS OF CASH FLOWS .....	6
NOTES TO FINANCIAL STATEMENTS .....	7 - 10



CERTIFIED PUBLIC ACCOUNTANTS  
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**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 ("KCSARC") as of December 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of KCSARC'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, 2009 and 2008, 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 April 12, 2010, on our consideration of KCSARC's internal control over financial reporting and 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* and should be read in conjunction with this report in considering the results of our 2009 audit.

*Peterson Sullivan LLP*

April 12, 2010

**KING COUNTY SEXUAL ASSAULT RESOURCE CENTER**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2009 and 2008

ASSETS	2009	2008
	<u>                    </u>	<u>                    </u>
Current Assets		
Cash and cash equivalents	\$ 808,768	\$ 381,451
Contracts receivable	299,838	357,885
Current portion of contributions receivable, net	38,611	84,220
Prepaid expenses	27,452	51,193
	<u>                    </u>	<u>                    </u>
Total current assets	1,174,669	874,749
Contributions Receivable, less current portion, net	1,125	3,330
Furniture and Equipment	239,050	218,764
Less: Accumulated Depreciation	<u>(142,909)</u>	<u>(112,823)</u>
	<u>                    </u>	<u>                    </u>
	96,141	105,941
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 1,271,935</u>	<u>\$ 984,020</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 44,435	\$ 58,320
Accrued payroll and related liabilities	143,002	132,289
Deferred revenue	43,650	65,150
	<u>                    </u>	<u>                    </u>
Total current liabilities	231,087	255,759
Net Assets		
Unrestricted	959,970	666,787
Temporarily restricted	80,878	61,474
	<u>                    </u>	<u>                    </u>
Total net assets	1,040,848	728,261
	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u>\$ 1,271,935</u>	<u>\$ 984,020</u>

See Notes to Financial Statements

**KING COUNTY SEXUAL ASSAULT RESOURCE CENTER**

**STATEMENTS OF ACTIVITIES**

For the Years Ended December 31, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>						
Contributions	\$ 351,808	\$ 78,628	\$ 430,436	\$ 365,188	\$ 46,564	\$ 411,752
Fundraising events, net of direct costs of \$99,548 in 2009 and \$94,263 in 2008	284,737		284,737	357,057		357,057
In-kind contributions				2,841		2,841
Fees and grants from government agencies	1,789,863		1,789,863	1,552,832		1,552,832
United Way donations and fees for services	80,096		80,096	94,505		94,505
Client/training fees	18,783		18,783	11,903		11,903
Interest and dividend income	3,517		3,517	5,939		5,939
Other revenue	14,768		14,768	696		696
Net assets released from restrictions	59,224	(59,224)		67,672	(67,672)	
	<u>2,602,796</u>	<u>19,404</u>	<u>2,622,200</u>	<u>2,458,633</u>	<u>(21,108)</u>	<u>2,437,525</u>
<b>Expenses</b>						
Program services	1,822,812		1,822,812	1,966,094		1,966,094
Management and general	183,204		183,204	158,849		158,849
Fundraising	303,597		303,597	314,821		314,821
	<u>2,309,613</u>		<u>2,309,613</u>	<u>2,439,764</u>		<u>2,439,764</u>
<b>Change in net assets</b>	<b>293,183</b>	<b>19,404</b>	<b>312,587</b>	<b>18,869</b>	<b>(21,108)</b>	<b>(2,239)</b>
Net Assets, beginning of year	<u>666,787</u>	<u>61,474</u>	<u>728,261</u>	<u>647,918</u>	<u>82,582</u>	<u>730,500</u>
Net Assets, end of year	<u>\$ 959,970</u>	<u>\$ 80,878</u>	<u>\$ 1,040,848</u>	<u>\$ 666,787</u>	<u>\$ 61,474</u>	<u>\$ 728,261</u>

See Notes to Financial Statements

**KING COUNTY SEXUAL ASSAULT RESOURCE CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2009

	Program Services			Supporting Services		Grand Total
	Client Services	Prevention/ Education	Total Program Services	Management and General	Fundraising	
Salaries, Benefits, and Taxes (including pension expense of \$41,012)	\$ 1,229,973	\$ 158,920	\$ 1,388,893	\$ 137,394	\$ 203,730	\$ 1,730,017
Rent	121,276	21,317	142,593	5,976	20,408	168,977
Professional Fees	88,643	7,405	96,048	25,150	32,213	153,411
Program Expenses and Fees	52,356		52,356		311	52,667
Telephone	20,301	2,782	23,083	4,257	2,760	30,100
Travel	18,390	1,277	19,667	3,195	919	23,781
Depreciation	22,626	2,111	24,737	1,126	4,222	30,085
Supplies	12,202	1,845	14,047	564	9,008	23,619
Printing	9,421	422	9,843	250	5,492	15,585
Repairs and Maintenance	17,311	2,745	20,056	816	6,860	27,732
Insurance	8,407	1,478	9,885	414	1,415	11,714
Postage and Shipping	3,380	308	3,688	556	3,191	7,435
Conference Fees	5,064	188	5,252	1,115	5,059	11,426
Training	2,949	163	3,112	322	1,738	5,172
Dues and Subscriptions	2,941	259	3,200	689	622	4,511
Advertising	472	17	489	9	732	1,230
Miscellaneous	5,433	430	5,863	1,371	4,917	12,151
<b>Total expenses</b>	<b>\$ 1,621,145</b>	<b>\$ 201,667</b>	<b>\$ 1,822,812</b>	<b>\$ 183,204</b>	<b>\$ 303,597</b>	<b>\$ 2,309,613</b>

See Notes to Financial Statements

**KING COUNTY SEXUAL ASSAULT RESOURCE CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2008

	Program Services			Supporting Services		Grand Total
	Client Services	Prevention/ Education	Total Program Services	Management and General	Fundraising	
Salaries, Benefits, and Taxes (including pension expense of \$47,243)	\$ 1,337,138	\$ 198,213	\$ 1,535,351	\$ 128,831	\$ 221,974	\$ 1,886,156
Rent	123,758	21,762	145,520	6,098	20,824	172,442
Professional Fees	84,741	6,724	91,465	6,180	27,604	125,249
Program Expenses and Fees	26,203	8,500	34,703			34,703
Telephone	25,908	3,645	29,553	2,646	2,370	34,569
Travel	24,135	4,220	28,355	3,234	1,190	32,779
Depreciation	22,844	2,132	24,976	1,137	4,263	30,376
Supplies	16,128	1,562	17,690	1,232	7,356	26,278
Printing	15,847	452	16,299	241	6,985	23,525
Repairs and Maintenance	14,312	2,882	17,194	1,021	3,272	21,487
Insurance	7,334	1,289	8,623	4,466	1,234	14,323
Postage and Shipping	3,716	520	4,236	822	3,451	8,509
Conference Fees	3,778	659	4,437	1,334	843	6,614
Training	1,854	517	2,371	205	2,755	5,331
Dues and Subscriptions	1,599	534	2,133	128	854	3,115
Advertising	50		50		250	300
Miscellaneous	2,823	315	3,138	1,274	9,596	14,008
<b>Total expenses</b>	<b>\$ 1,712,168</b>	<b>\$ 253,926</b>	<b>\$ 1,966,094</b>	<b>\$ 158,849</b>	<b>\$ 314,821</b>	<b>\$ 2,439,764</b>

See Notes to Financial Statements

# KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Grants received	\$ 1,847,910	\$ 1,379,930
Contributions and other cash received	1,048,806	963,144
Interest received	3,517	5,939
Cash paid to employees	(1,719,305)	(1,873,159)
Cash paid to vendors and suppliers	(738,749)	(636,979)
Cash flows from operating activities	442,179	(161,125)
Cash Flows from Investing Activities		
Proceeds from sale of donated stock	5,423	12,697
Purchase of furniture and equipment	(20,285)	(380)
Cash flows from investing activities	(14,862)	12,317
<b>Net change in cash and cash equivalents</b>	<b>427,317</b>	<b>(148,808)</b>
Cash and Cash Equivalents, beginning of year	381,451	530,259
Cash and Cash Equivalents, end of year	\$ 808,768	\$ 381,451
Reconciliation of Change in Net Assets to Cash Flows from Operating Activities		
Change in net assets	\$ 312,587	\$ (2,239)
Contributions of stock	(5,423)	(12,697)
Depreciation	30,085	30,376
Change in operating assets and liabilities		
Contracts receivable	58,047	(172,902)
Contributions receivable	47,814	(3,096)
Prepaid expenses	23,741	(29,537)
Accounts payable and accrued expenses	(3,172)	20,430
Deferred revenue	(21,500)	8,540
Cash flows from operating activities	\$ 442,179	\$ (161,125)

See Notes to Financial Statements



## NOTES TO FINANCIAL STATEMENTS

### Note 1. Organization and Significant Accounting Policies

#### **Organization**

King County Sexual Assault Resource Center ("KCSARC") 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 KCSARC is for a community free of sexual violence. KCSARC 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 all of the above services in Spanish. KCSARC also provides state of the art prevention and education programs to the community through community engagement programs, training, and responding to community concerns.

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**

KCSARC 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. KCSARC has no permanently restricted net assets, so this class of net assets is not shown on the financial statements. Contributions that are received are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions.

### **Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of unexpended contributions restricted for particular purposes or time periods, and contributions to be used in future years. If temporarily restricted contributions are used for their restricted purpose in the same year as received, they are classified as unrestricted contributions. Temporarily restricted net assets consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Contributions to be used in future years	\$ 5,700	\$ 29,900
Contributions to be used for specific programs:		
PCIT program	25,000	29,260
Dando Voz	50,178	
Internet Safety		2,314
	<u>\$ 80,878</u>	<u>\$ 61,474</u>

### **Cash and Cash Equivalents**

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

### **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 2008 consist of legal fees and advertising expenses. There were no significant in-kind contributions for year ended December 31, 2009.

### **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.

## Concentrations

At December 31, 2009, three donors accounted for 57% of contributions receivable. At December 31, 2008, four donors accounted for 59% of contributions receivable.

## Income Taxes

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

KCSARC reports a liability, if any, for unrecognized tax benefits resulting from uncertain income tax positions taken or expected to be taken in an income tax return. Estimated interest and penalties, if any, are recorded as a component of interest expense and other expense, respectively. No liability was recorded for uncertain tax positions, or related interest or penalties as of December 31, 2009 or 2008. Tax years that remain subject to examination by federal authorities are the years ended December 31, 2006 through 2009.

## Subsequent Events

KCSARC has evaluated subsequent events through the date these financial statements were available to be issued, which was on April 12, 2010.

## **Note 2. Contributions Receivable**

Contributions receivable consist of unconditional promises to give cash. Management has recorded an allowance against contributions receivable of \$897 and \$5,351 at December 31, 2009 and 2008, respectively. Long-term contributions have not been discounted as management believes the discount is not material. Contributions receivable consist of the following at December 31:

	2009	2008
Receivable in one year or less	\$ 39,383	\$ 89,201
Receivable in more than one year	1,250	3,700
	40,633	92,901
Less: allowance for doubtful contributions	(897)	(5,351)
Net contributions receivable	\$ 39,736	\$ 87,550

These amounts are included in the statements of financial position as follows:

	2009	2008
Contributions receivable – current portion	\$ 38,611	\$ 84,220
Contributions receivable – long-term portion	1,125	3,330
Net contributions receivable	\$ 39,736	\$ 87,550

### Note 3. Pass-Through Contract Obligations

KCSARC 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 KCSARC. Pass-through obligations are collected in advance and unpaid portions are included in accounts payable on the statements of financial position. Pass-through contract activity was as follows in 2009 and 2008:

	2009	2008
Pass-through obligations, beginning of year	\$ 32,335	\$ 12,934
Pass-through contracts received during the year	77,604	77,604
Pass-through contracts paid during the year	(109,939)	(58,203)
Pass-through obligations, end of year	<u>\$ -</u>	<u>\$ 32,335</u>

### Note 4. Leased Facilities

Office facilities used by KCSARC are rented under a noncancelable operating lease that expires in 2015. Rent expense was approximately \$169,000 in 2009 and \$171,500 in 2008.

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

2010	\$ 105,130
2011	129,246
2012	132,964
2013	136,674
2014	140,382
Thereafter	<u>23,500</u>
	<u>\$ 667,896</u>

### Note 5. Line of Credit

KCSARC has a line of credit agreement with a bank, with a maximum borrowing base of \$100,000. The line of credit bears interest at 7% and matures in August 2010. There was no outstanding balance on the line of credit at December 31, 2009 or 2008.