

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2016 AND 2015

UNIFORM GUIDANCE SUPPLEMENTARY FINANCIAL REPORTS
YEAR ENDED DECEMBER 31, 2016



KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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INDEPENDENT AUDITOR'S REPORT

July 24, 2017

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

We have audited the accompanying financial statements of King County Sexual Assault Resource Center, a nonprofit corporation, which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activity, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 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 in the first paragraph of this letter present fairly, in all material respects, the financial position of King County Sexual Assault Resource Center as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and is not a required part of the financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis, and is also not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2017 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering King County Sexual Assault Resource Center's internal control over financial reporting and compliance.



Jacobson Jarvis & Co, PLLC

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

<u>ASSETS</u>		<u>2016</u>	<u>2015</u>
Current Assets			
Cash and cash equivalents		\$ 1,130,007	\$ 959,277
Grants and accounts receivable		707,073	662,149
Promises to give		93,441	178,224
Prepays and deposits		<u>147,338</u>	<u>146,518</u>
Total Current Assets		<u>2,077,859</u>	<u>1,946,168</u>
Furniture and Equipment		369,424	325,678
Accumulated Depreciation		<u>(273,525)</u>	<u>(248,853)</u>
Net Furniture and Equipment		<u>95,899</u>	<u>76,825</u>
		<u>\$ 2,173,758</u>	<u>\$ 2,022,993</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities			
Accounts payable		\$ 156,665	\$ 108,772
Accrued payroll and related liabilities		260,449	258,224
Deferred revenue		55,156	-
Current portion, copier lease		<u>14,453</u>	<u>14,026</u>
Total Current Liabilities		486,723	381,022
Copier Lease, less current portion above		<u>30,240</u>	<u>44,693</u>
Total Liabilities		<u>516,963</u>	<u>425,715</u>
Net Assets			
Unrestricted		1,460,919	1,329,469
Temporarily restricted		<u>195,876</u>	<u>267,809</u>
Total Net Assets		<u>1,656,795</u>	<u>1,597,278</u>
		<u>\$ 2,173,758</u>	<u>\$ 2,022,993</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF ACTIVITY

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public Support and Revenue						
Government grants	\$ 3,118,105		\$ 3,118,105	\$ 2,754,208		\$2,754,208
Private grants and contributions	418,419	\$ 195,876	614,295	711,848	\$ 175,435	887,283
In-kind contributions	13,887	-	13,887	66,159	-	66,159
Fundraising events	504,208	-	504,208	435,827	-	435,827
United Way	60,278	-	60,278	60,278	-	60,278
Fees for service	289,234		289,234	223,626		223,626
Interest earned	1,490		1,490	1,426		1,426
Miscellaneous	8,625		8,625	1,805		1,805
Net assets released from time restrictions	157,435	(157,435)	-	120,100	(120,100)	-
Net assets released from purpose restrictions	110,374	(110,374)	-	20,536	(20,536)	-
Total Public Support and Revenue	<u>4,682,055</u>	<u>(71,933)</u>	<u>4,610,122</u>	<u>4,395,813</u>	<u>34,799</u>	<u>4,430,612</u>
Expenses						
Program services	3,296,021		3,296,021	2,970,112		2,970,112
Management and general	585,777		585,777	524,050		524,050
Fundraising	668,807		668,807	707,551		707,551
Total Expenses	<u>4,550,605</u>		<u>4,550,605</u>	<u>4,201,713</u>		<u>4,201,713</u>
Total Change in Net Assets	131,450	(71,933)	59,517	194,100	34,799	228,899
Net Assets - beginning of year	1,329,469	267,809	1,597,278	1,135,369	233,010	1,368,379
Net Assets - end of year	<u>\$ 1,460,919</u>	<u>\$ 195,876</u>	<u>\$ 1,656,795</u>	<u>\$ 1,329,469</u>	<u>\$ 267,809</u>	<u>\$1,597,278</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016						2015					
	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	\$2,526,449	\$ 71,967	\$2,598,416	\$ 351,826	\$ 377,304	\$3,327,546	\$2,299,437	\$ 59,426	\$2,358,863	\$ 388,969	\$ 341,337	\$3,089,169
Professional fees	357,365	6,736	364,101	182,931	174,274	721,306	310,664	1,497	312,161	93,537	159,223	564,921
Occupancy	108,857	3,152	112,009	11,401	13,687	137,097	86,352	2,505	88,857	9,038	10,866	108,761
Travel and events	43,635	4,815	48,450	4,617	40,384	93,451	39,398	1,705	41,103	6,343	45,471	92,917
Miscellaneous	52,796	307	53,103	8,126	(6,215)	55,014	34,060	329	34,389	4,685	28,585	67,659
Communication	27,771	1,681	29,452	3,608	2,162	35,222	29,264	835	30,099	3,776	2,641	36,516
Dues and subscriptions	10,012	239	10,251	6,092	8,942	25,285	10,187	750	10,937	1,697	6,624	19,258
Depreciation	20,080	475	20,555	1,742	2,375	24,672	24,249	665	24,914	2,457	2,685	30,056
Printing	5,563	158	5,721	558	14,885	21,164	3,429	62	3,491	220	12,499	16,210
Program expenses and fees	20,474	100	20,574	-	-	20,574	12,852	1,560	14,412	-	-	14,412
Repairs and maintenance	7,598	1,766	9,364	5,188	5,139	19,691	20,583	505	21,088	6,279	6,212	33,579
Conference fees	-	-	-	-	18,782	18,782	6,970	-	6,970	-	73,439	80,409
Insurance	10,980	225	11,205	6,328	1,123	18,656	10,846	254	11,100	5,878	2,999	19,977
Supplies	7,044	985	8,029	1,946	5,436	15,411	7,477	132	7,609	773	7,535	15,917
Advertising	425	-	425	225	6,042	6,692	608	30	638	19	2,898	3,555
Postage and shipping	2,115	52	2,167	415	3,740	6,322	2,394	68	2,462	359	3,677	6,498
Training	2,073	126	2,199	774	747	3,720	1,019	-	1,019	20	860	1,899
Total Expenses	<u>\$3,203,237</u>	<u>\$ 92,784</u>	<u>\$3,296,021</u>	<u>\$ 585,777</u>	<u>\$ 668,807</u>	<u>\$4,550,605</u>	<u>\$2,899,789</u>	<u>\$ 70,323</u>	<u>\$2,970,112</u>	<u>\$ 524,050</u>	<u>\$ 707,551</u>	<u>\$4,201,713</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Cash received from:		
Governmental agencies	\$ 3,132,026	\$ 2,468,219
Donors	1,263,564	1,344,759
Service fees and other revenue	294,170	215,749
Interest received	1,490	1,426
Cash paid to:		
Personnel	(3,336,942)	(3,088,363)
Vendors	(1,123,918)	(1,023,541)
Interest paid	<u>(1,888)</u>	<u>(2,026)</u>
Net Cash Provided (Used) by Operating Activities	228,502	(83,777)
Cash Flows Used by Investing Activities		
Purchases of property and equipment	(43,746)	(6,416)
Cash Flows Used by Financing Activities		
Repayments on capital lease obligations	<u>(14,026)</u>	<u>(13,612)</u>
Changes in Cash and Cash Equivalents	170,730	(103,805)
Cash and Cash Equivalents - beginning of year	<u>959,277</u>	<u>1,063,082</u>
Cash and Cash Equivalents - end of year	<u>\$ 1,130,007</u>	<u>\$ 959,277</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of Change in Net Assets to Net Cash from Operating Activities		
Change in net assets	\$ 59,517	\$ 228,899
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	24,672	30,056
Loss on disposal of equipment	-	286
(Increase) decrease in:		
Grants receivable	(44,924)	(240,515)
Promises to give	84,783	(38,629)
Prepays and deposits	(820)	(22,009)
Increase (decrease) in:		
Accounts payable	47,893	4,963
Accrued payroll and related liabilities	2,225	8,328
Deferred revenue	<u>55,156</u>	<u>(55,156)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 228,502</u>	<u>\$ (83,777)</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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 Resource Center victim and family services include: professionally staffed, 24-hour resource telephone line, 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.

Basis of presentation

In accordance with financial accounting standards, 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, 2016 and 2015. 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>2016</u>	<u>2015</u>
Future Periods	\$ 145,709	\$ 157,435
Phoenix/Project 360	28,000	81,374
Family Services	15,000	-
Dando Voz	3,667	-
Legal Advocacy	2,500	-
Client Services	-	29,000
Individual Therapy	1,000	-
	<u>\$ 195,876</u>	<u>\$ 267,809</u>

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.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2016 and 2015, 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 an appropriate 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 receivable 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.

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 \$107,351 and \$219,042 are shown net of the allowance for uncollectible amounts of \$13,910 and \$40,817 at December 31, 2016 and 2015, respectively, and are due in less than one year.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture and equipment

Furniture and equipment are stated at cost or, if donated, at fair 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.

Revenue recognition

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.

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, 2016 and 2015, in-kind contributions of \$13,887 and \$66,159, respectively, consisted primarily of professional fees and donated facilities. In 2015, donated professional services for a community awareness study of the agency was conducted by ARRYVE, LLC, where our current Board President was one of the partners. Total in-kind contribution value of the awareness study was \$41,250.

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.

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.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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, 2016 and 2015, no such adjustments were made.

Concentration of support and receivables

For the years ended December 31, 2016 and 2015, two governmental agencies provided 39% and 37%, respectively, of King County Sexual Assault Resource Center's total support and revenue. At December 31, 2016 and 2015, approximately 47% and 40%, respectively, of King County Sexual Assault Resource Center's grants receivable were due from the same two governmental agencies. A significant reduction in the level of this support or default on grants receivable, if this were to occur, would have a significant effect on King County Sexual Assault Resource Center's programs and activities.

Functional allocation of expenses

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

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.

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.

NOTE B - LINE OF CREDIT

At December 31, 2016, King County Sexual Assault Resource Center had a \$100,000 revolving line of credit. The line of credit bore interest at 5.75% and matured on July 1, 2017. There was no outstanding balance on the line of credit at December 31, 2016 or 2015.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE C – LEASE OBLIGATIONS

King County Sexual Assault Resource Center leases office facilities under a non-cancelable lease that renewed in February 2015 with an expiration in February 2020. In December 2016, King County Sexual Assault Resource Center amended the lease to include additional space with the same expiration date. Rental expense incurred for this lease for the years ended December 31, 2016 and 2015 was \$137,097 and \$108,761, respectively. Related minimum future rental commitments on this lease for the years ending December 31 are as follows:

2017	\$ 203,819
2018	215,646
2019	221,334
2020	<u>36,992</u>
	<u>\$ 677,791</u>

King County Sexual Assault Resource Center leases certain office equipment under a non-cancelable capital lease, with a total recorded cost of \$69,978 and related accumulated depreciation at December 31, 2016 of \$33,088. Total monthly payments are \$1,300 including interest of 3% per annum. Scheduled lease payments for the years ending December 31 are as follows:

	Payment	Interest	Principal
2017	\$ 15,598	\$ 1,144	\$ 14,454
2018	15,598	704	14,894
2019	<u>15,595</u>	<u>250</u>	<u>15,345</u>
	<u>\$ 46,791</u>	<u>\$ 2,098</u>	44,693
Less current portion			<u>(14,453)</u>
			<u>\$ 30,240</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 \$50,325 for each of the years ended December 31, 2016 and 2015 and no amounts were unpaid as of either year end.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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% of up to 3% of an employee's eligible compensation, and 50% between 3% and 5%. King County Sexual Assault Resource Center's contributions to the plan totaled \$83,912 and \$81,103, respectively, for the years ended December 31, 2016 and 2015.

NOTE F - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2016 through July 24, 2017, 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, 2016, including the estimates inherent in the processing of financial statements.

SUPPLEMENTARY INFORMATION

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

SCHEDULE OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2016

Grantor

Pass-through Grantor

Program Name	Period	BARS #	State Grant No.	Award Amount	Expenditures
Washington Department of Commerce, Office of Crime Victims Advocacy					
Sexual Assault Core and Specialized Services	1/1-6/30/2016	3340421	16-31310-134	\$ 825,727	
Sexual Assault Core and Specialized Services	7/1-12/31/16	3340423	17-31310-134	<u>1,469,264</u>	
				2,294,991	\$ 622,269
Crime Victims Service Center	1/1-6/30/2016	3340422	S16-31119-022	43,851	
Crime Victims Service Center and Language Bank	7/1-12/31/16	3340424	S17-31119-022	<u>54,561</u>	
				98,412	7,329
Washington Department of Social and Health Services					
<i>DSHS Children's Administration</i>					
Sexual Assault Training Coordination	9/1-12/31/16	3340461	1631-73260	6,000	1,846
Sexually Aggressive Youth Services	1/1-12/31/16	3340462	1612-55521	Fee for Service	<u>987</u>
Total State Financial Assistance					<u><u>\$ 632,431</u></u>

UNIFORM GUIDANCE SUPPLEMENTARY INFORMATION

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2016

Federal Grantor

<i>Pass-through Grantor</i> "Program Title"	Contract Number	CFDA Number	Passed Through to Subrecipients	Federal Expenditures
Department of Justice				
"Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies"	2013-CY-AX-K014 2016-CY-AX-0014	16.888*	\$ 92,118 13,255 <u>105,373</u>	\$ 362,831 38,961 <u>401,792</u>
"Legal Assistance for Victims"	2013-WL-AX-0034	16.524	83,004	201,767
"Violence Against Women Act Court Training and Improvement Grants"	2013-FL-AX-0008	16.013	-	4,000
"Justice Systems Response to Families"	2015-FJ-AX-0002	16.021	-	156,559
<i>State of Washington Department of Community, Trade and Economic Development, Office of Crime Victims Advocacy</i>				
"Sexual Assault Services Formula Program"	F15-31111-505	16.017	-	64,969
"Crime Victim Assistance"	16-31310-134/ 17-31310-134		-	276,932
"Crime Victim Assistance"	S16-31119-022/ S17-31119-022		-	32,444
"Crime Victim Assistance"	F16-31119-939		-	2,068
"Crime Victim Assistance"	F16-31119-703		-	485
		16.575	<u>-</u>	<u>311,929</u>
Total Expenditures of Federal Awards			<u>\$ 188,377</u>	<u>\$ 1,141,016</u>

* Denotes a major program.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2016

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 the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - INDIRECT COST RATE

King County Sexual Assault Resource Center has a negotiated indirect cost rate for use on Federal grants and contracts. For 2016, the provisional rate is 25.3% based on Modified Total Direct Costs. As such, the organization is not eligible to elect use of the 10% de minimus indirect cost rate.

INDEPENDENT AUDITOR'S REPORT
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

July 24, 2017

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of King County Sexual Assault Resource Center, which comprise the statement of financial position as of December 31, 2016, and the related statements of activity, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 24, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Jacobson Jarvis & Co, PLLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE UNIFORM GUIDANCE

July 24, 2017

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

Report on Compliance with Each Major Federal Program

We have audited King County Sexual Assault Resource Center's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of King County Sexual Assault Resource Center's major federal programs for the year ended December 31, 2016. King County Sexual Assault Resource Center's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of King County Sexual Assault Resource Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of King County Sexual Assault Resource Center's compliance.

Opinion on Each Major Federal Program

In our opinion, King County Sexual Assault Resource Center complied, in all material respects, with the types of compliance requirements referred to in the first paragraph of this letter that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered King County Sexual Assault Resource Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of King County Sexual Assault Resource Center's internal control over compliance.

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

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

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



Jacobson Jarvis & Co, PLLC

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2016

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified 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 "Independent Auditor's Report 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 "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance as Required by the Uniform Guidance."
5. The auditor's report on compliance for the major federal award program for King County Sexual Assault Resource Center expresses an unmodified 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 program tested as major was CFDA No. 16.888 "Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies."
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. King County Sexual Assault Resource Center was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

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

None