

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2020 AND 2019

UNIFORM GUIDANCE SUPPLEMENTARY FINANCIAL REPORTS
YEAR ENDED DECEMBER 31, 2020



KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

August 4, 2021

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, 2020 and 2019, 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, 2020 and 2019, 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 August 4, 2021, 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, 2020 AND 2019

<u>ASSETS</u>		
	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 2,197,268	\$ 1,158,385
Grants and accounts receivable	1,110,834	699,471
Promises to give	213,737	239,798
Prepays and deposits	402,352	355,912
Total Current Assets	<u>3,924,191</u>	<u>2,453,566</u>
Promises to Give, net of current portion	<u>76,700</u>	<u>110,000</u>
Leasehold Improvements	1,322,187	881,193
Furniture and Equipment	334,517	766,148
Accumulated Depreciation	<u>(357,315)</u>	<u>(175,825)</u>
Net Property and Equipment	<u>1,299,389</u>	<u>1,471,516</u>
	<u>\$ 5,300,280</u>	<u>\$ 4,035,082</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 139,211	\$ 126,893
Accrued payroll and related liabilities	424,418	359,751
Deferred revenue	150	13,497
Current portion, copier lease	14,575	14,929
Current portion, note payable	<u>61,363</u>	<u>44,266</u>
Total Current Liabilities	639,717	559,336
Copier Lease, less current portion above	36,898	48,883
Note Payable, less current portion above	186,003	247,366
Deferred Lease Liability	<u>911,113</u>	<u>881,193</u>
Total Liabilities	<u>1,773,731</u>	<u>1,736,778</u>
Net Assets		
Without donor restrictions	3,175,149	1,790,259
With donor restrictions	<u>351,400</u>	<u>508,045</u>
Total Net Assets	<u>3,526,549</u>	<u>2,298,304</u>
	<u>\$ 5,300,280</u>	<u>\$ 4,035,082</u>

See notes to financial statements.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF ACTIVITY

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Government grants	\$ 6,007,861	\$ -	\$ 6,007,861	\$ 4,587,365	\$ -	\$ 4,587,365
Private grants and contributions	931,580	241,400	1,172,980	849,055	425,128	1,274,183
In-kind contributions	59,928	-	59,928	96,611	-	96,611
Fundraising events	559,678	-	559,678	507,892	-	507,892
Fees for service	362,950		362,950	343,696		343,696
Investment returns	11,315		11,315	17,388		17,388
Miscellaneous	15,980		15,980	(4,451)		(4,451)
Net assets released from time restrictions	292,878	(292,878)	-	237,530	(237,530)	-
Net assets released from purpose restrictions	105,167	(105,167)	-	118,750	(118,750)	-
Total Public Support and Revenue	<u>8,347,337</u>	<u>(156,645)</u>	<u>8,190,692</u>	<u>6,753,836</u>	<u>68,848</u>	<u>6,822,684</u>
Expenses						
Program services	5,284,238		5,284,238	4,911,783		4,911,783
Management and general	687,218		687,218	665,389		665,389
Fundraising and communications	990,991		990,991	946,870		946,870
Total Expenses	<u>6,962,447</u>		<u>6,962,447</u>	<u>6,524,042</u>		<u>6,524,042</u>
Total Change in Net Assets	1,384,890	(156,645)	1,228,245	229,794	68,848	298,642
Net Assets - beginning of year	<u>1,790,259</u>	<u>508,045</u>	<u>2,298,304</u>	<u>1,560,465</u>	<u>439,197</u>	<u>1,999,662</u>
Net Assets - end of year	<u>\$ 3,175,149</u>	<u>\$ 351,400</u>	<u>\$ 3,526,549</u>	<u>\$ 1,790,259</u>	<u>\$ 508,045</u>	<u>\$ 2,298,304</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020						2019					
	Client Services	Prevention/ Education	Total Program Services	Management and General	Fundraising and Communications	Total	Client Services	Prevention/ Education	Total Program Services	Management and General	Fundraising and Communications	Total
Salaries, benefits, and taxes	\$ 3,806,503	\$ 108,806	\$ 3,915,309	\$ 473,377	\$ 714,389	\$ 5,103,075	\$ 3,715,470	\$ 143,437	\$ 3,858,907	\$ 462,630	\$ 669,356	\$ 4,990,893
Professional fees	460,537	6,851	467,388	119,254	97,202	683,844	442,703	14,968	457,671	135,794	65,113	658,578
Occupancy	247,761	10,566	258,327	25,302	30,985	314,614	196,918	5,896	202,814	18,392	20,998	242,204
Technology and equipment	157,003	3,426	160,429	12,773	20,112	193,314	40,767	743	41,510	1,475	3,094	46,079
Depreciation	133,943	3,896	137,839	13,940	29,711	181,490	40,788	1,694	42,482	3,461	12,258	58,201
Other office expenses	89,683	1,605	91,288	9,888	9,482	110,658	75,522	1,358	76,880	15,999	40,291	133,170
Dues and subscriptions	57,529	1,568	59,097	14,969	27,935	102,001	23,980	633	24,613	10,041	18,600	53,254
Program expenses and fees	74,862	20	74,882	71	121	75,074	45,434	-	45,434	-	-	45,434
Communication	49,341	1,655	50,996	6,533	7,145	64,674	38,872	1,259	40,131	2,450	4,972	47,553
Insurance	23,299	543	23,842	7,593	3,301	34,736	22,385	738	23,123	7,134	2,714	32,971
Advertising	3,044	83	3,127	432	24,996	28,555	875	126	1,001	341	10,391	11,733
Supplies	10,160	553	10,713	912	8,247	19,872	12,272	741	13,013	816	11,570	25,399
Travel and events	10,659	295	10,954	1,003	1,335	13,292	53,039	6,953	59,992	4,776	51,594	116,362
Conference fees	9,470	-	9,470	-	3,250	12,720	9,470	-	9,470	-	22,187	31,657
Printing	433	11	444	38	10,162	10,644	5,277	3,233	8,510	285	11,333	20,128
Training	7,076	1	7,077	809	1,031	8,917	4,458	45	4,503	1,665	660	6,828
Postage and shipping	2,971	85	3,056	324	1,587	4,967	1,664	65	1,729	130	1,739	3,598
Total Expenses	\$ 5,144,274	\$ 139,964	\$ 5,284,238	\$ 687,218	\$ 990,991	\$ 6,962,447	\$ 4,729,894	\$ 181,889	\$ 4,911,783	\$ 665,389	\$ 946,870	\$ 6,524,042

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Cash received from:		
Governmental agencies	\$ 5,604,993	\$ 4,668,326
Donors	1,792,019	1,661,633
Service fees and other revenue	357,088	334,729
Interest received	11,315	17,388
Cash paid to:		
Personnel	(5,069,515)	(5,005,107)
Vendors	(1,576,134)	(1,516,554)
Interest paid	<u>(14,915)</u>	<u>(2,691)</u>
Net Cash Provided by Operating Activities	<u>1,104,851</u>	<u>157,724</u>
Cash Flows Used by Investing Activities		
Purchases of property and equipment	<u>(9,363)</u>	<u>(1,279,359)</u>
Cash Flows from Financing Activities		
Tenant improvement allowance	-	881,193
Borrowings on notes payable	-	291,632
Payments on notes payable	(44,266)	-
Payments on copier lease	<u>(12,339)</u>	<u>(18,344)</u>
Net Cash (Used) Provided by Financing Activities	<u>(56,605)</u>	<u>1,154,481</u>
Changes in Cash and Cash Equivalents	1,038,883	32,846
Cash and Cash Equivalents - beginning of year	<u>1,158,385</u>	<u>1,125,539</u>
Cash and Cash Equivalents - end of year	<u>\$ 2,197,268</u>	<u>\$ 1,158,385</u>
Non-Cash Investing and Financing Activity		
Equipment acquired through capital lease	<u>\$ -</u>	<u>\$ 66,812</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Change in Net Assets to Net Cash from Operating Activities		
Change in net assets	\$ 1,228,245	\$ 298,642
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	181,490	58,201
Loss on disposal of equipment	-	15,521
Change in:		
Grants receivable	(411,363)	62,948
Promises to give	59,361	(120,442)
Prepays and deposits	(46,440)	(207,530)
Accounts payable	12,318	36,905
Accrued payroll and related liabilities	64,667	(18)
Deferred revenue	<u>16,573</u>	<u>13,497</u>
Net Cash Provided by Operating Activities	<u>\$ 1,104,851</u>	<u>\$ 157,724</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets with donor restrictions are as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Future Periods	\$ 278,900	\$ 352,878
Family Services	10,000	10,000
Legal Advocacy	-	34,167
Prevention	50,000	111,000
Client Services	<u>12,500</u>	<u>-</u>
	<u>\$ 351,400</u>	<u>\$ 508,045</u>

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activity as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, 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 government 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 31, 2020 AND 2019

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 are shown net of the allowance for uncollectible amounts. The fair value of promises to give is estimated by discounting future cash flows. Discounts on long term promises to give as of December 31, 2019 are considered immaterial.

Unconditional promises to give were due as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Due in less than one year	\$ 241,125	\$ 264,780
Due in one to two years	<u>76,700</u>	<u>110,000</u>
	317,825	374,780
Less allowance for uncollectible	<u>(27,388)</u>	<u>(24,982)</u>
Total Unconditional Promises to Give	<u>\$ 290,437</u>	<u>\$ 349,798</u>

Property and equipment

Property and equipment are stated at cost or, if donated, at fair value at date of donation. Property and equipment with an original cost of \$5,000 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 or remaining lease term.

Revenue recognition

King County Sexual Assault Resource Center recognizes fee for service revenue when related service is provided.

King County Sexual Assault Resource Center recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been met. King County Sexual Assault Resource Center's federal, state and local contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. As of December 31, 2020, King County Sexual Assault Resource Center had conditional contributions and grants totaling \$1,925,053 which have not been recognized in the accompanying financial statements.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020 and 2019, in-kind contributions of \$59,928 and \$96,611, respectively, consisted primarily of professional fees and donated facilities.

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.

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.

Concentration of support and receivables

For the years ended December 31, 2020 and 2019, two government agencies provided 48% and 49%, respectively, of King County Sexual Assault Resource Center's total support and revenue. At December 31, 2020 and 2019, approximately 76% and 55%, respectively, of King County Sexual Assault Resource Center's grants receivable were due from the same two government 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. Where possible, specific expenses have been charged directly to the appropriate category. When functions are shared or costs are intermingled, expenses are allocated based on estimated percentage of full time employees (such as miscellaneous expenses and portions of professional fees) or square footage (occupancy).

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 - LIQUIDITY

King County Sexual Assault Resource Center regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the funds available from cost reimbursement grants. For purposes of analyzing resources available to meet general expenditures over a 12-month period, King County Sexual Assault Resource Center considers all expenditures related to its ongoing activities of providing services to victims of sexual assault as well as the conduct of services undertaken to support these services to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, King County Sexual Assault Resource Center operates with a balanced budget and anticipates collecting sufficient cash to cover general expenditures not covered by donor-restricted resources. King County Sexual Assault Resource Center's largest contracts are held by government entities. The aging for these accounts is 45 days to receipt. King County Sexual Assault Resource Center also has a line of credit available to meet short-term needs. See Note C for information about this arrangement.

King County Sexual Assault Resource Center considers contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. As of December 31, 2020 and 2019, financial assets available to meet cash needs for general expenditures within one year were as follows:

	<u>2020</u>	<u>2019</u>
Total financial assets	\$ 3,598,539	\$ 2,207,654
Less promises due in more than one year	<u>(76,700)</u>	<u>(110,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,521,839</u>	<u>\$ 2,097,654</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE C - LINE OF CREDIT

King County Sexual Assault Resource Center has a \$300,000 revolving line of credit. The line of credit bears interest at a minimum of 6.25% and matures on October 1, 2021. There was no outstanding balance on the line of credit at December 31, 2020.

NOTE D - PAYCHECK PROTECTION PROGRAM

On April 29, 2020, King County Sexual Assault Resource Center received a \$982,983 loan guaranteed by the Small Business Administration (SBA) under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The loan and accrued interest are subject to forgiveness after 24 weeks, as long as the qualifying organization uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

King County Sexual Assault Resource Center entered into the program with the intention of complying with the terms for forgiveness and has recognized the loan as a conditional grant. As of December 31, 2020, King County Sexual Assault Resource Center believed they had met the conditions for forgiveness and recognized the full amount as government grants income.

NOTE E - NOTE PAYABLE

King County Sexual Assault Resource Center entered into a construction line of credit in September 2019 which was converted into an unsecured note payable in December 2019. The note is due in monthly installments of \$5,927 with final payment due October 2024. The interest rate on the note is 4.45%.

Principal payments for the note payable are as follows for the years ending December 31:

2021	\$ 61,363
2022	64,150
2023	67,063
2024	54,790
	<u>\$ 247,366</u>

NOTE F - 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 compensation, and 50% between 3% and 5%. King County Sexual Assault Resource Center's contributions to the plan totaled \$118,803 and \$114,165, respectively, for the years ended December 31, 2020 and 2019.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE G – LEASE OBLIGATIONS

In 2019, King County Sexual Assault Resource Center entered into a non-cancelable office space lease that commences January 2020 and expires in April 2030. In accordance with financial accounting standards, rent expense is recognized on a straight-line basis and a related deferred rent liability is recognized.

Future minimum payments, deferred rent, and rent expense under these leases for the years ending June 30 are as follows:

	Minimum Lease Payment	Change in Deferred Lease	Rent Expense
2021	\$ 254,867	\$ (57,494)	\$ 197,373
2022	263,655	(66,282)	197,373
2023	272,444	(75,071)	197,373
2024	281,232	(83,859)	197,373
2025	325,175	(127,802)	197,373
Thereafter	<u>1,359,288</u>	<u>(500,605)</u>	<u>858,683</u>
	<u>\$ 2,756,661</u>	<u>\$ (911,113)</u>	<u>\$ 1,845,548</u>

King County Sexual Assault Resource Center leases certain office equipment under a non-cancelable capital lease, with a total recorded cost of \$66,812 and related accumulated depreciation at December 31, 2020 of \$17,816. Total monthly payments are \$1,131 including interest of 4.450% per annum. Scheduled lease payments for the years ending December 31 are as follows:

2021	\$ 14,929
2022	14,929
2023	14,929
2024	<u>10,959</u>
	55,746
Less amounts for interest	<u>(4,273)</u>
	<u>\$ 51,473</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE H - RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. On March 23, 2020, the Governor of Washington declared a health emergency and issued an order to close all nonessential businesses until further notice. Management is continually evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the King County Sexual Assault Resource Center's financial position, change in net assets and cash flows, the specific impact is not readily determinable as of the date of these financial statements.

NOTE I - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2020 through August 4, 2021, 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, 2020, 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, 2020

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	7/1/19-6/30/20	3340421	20-31310-134	\$ 2,195,479	
Sexual Assault Core and Specialized Services	7/1/20-6/30/21	3340423	21-31310-134	<u>2,196,017</u>	
				4,391,496	\$ 481,783
Crime Victims Service Center	7/1/19-6/30/21	3340422	20-31219-017	135,302	7,855
Information Technology System Improvements	7/1/20-6/30/21	3340424	21-31310-043	297,000	23,429
Criminal Justice Training Commission	3/8/19-6/30/21	3340110	2019-C203	19,000	<u>2,138</u>
Total State Financial Assistance					<u>\$ 515,205</u>

UNIFORM GUIDANCE SUPPLEMENTARY INFORMATION

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

Federal Grantor	Contract Number	CFDA Number	Passed Through to Subrecipients	Federal Expenditures
<i>Pass-through Grantor</i>				
"Program Title"				
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"	2016-CY-AX-0014	16.888	\$ -	\$ 32,238
"Legal Assistance for Victims"	2017-WL-AX-0046	16.524	191,363	249,505
<i>State of Washington Department of Community, Trade and Economic Development, Office of Crime Victims Advocacy</i>				
"Sexual Assault Services Formula Program"	F17-31311-505	16.017	-	70,000
"Crime Victim Assistance"	21-31310-134		-	825,750
"Crime Victim Assistance"	20-31310-134		-	852,138
"Crime Victim Assistance"	20-31219-017		-	103,170
"Crime Victim Assistance"	F19-31219-503		1,353	61,544
"Crime Victim Assistance"	F18-31219-808		-	91,578
"Crime Victim Assistance"	F18-31219-508		-	208,170
		16.575*	1,353	2,142,350
Department of the Treasury				
<i>City of Bellevue</i>				
"Coronavirus Relief Fund"	--		-	13,368
<i>City of Redmond</i>				
"Coronavirus Relief Fund"	9502		-	15,000
<i>King County Department of Community and Human Services</i>				
"Coronavirus Relief Fund"	6057264		-	182,195
<i>King County Mental Health, Chemical Abuse and Dependency Services Division</i>				
"Coronavirus Relief Fund"	6061312		-	21,333
		21.019	-	231,896
Total Expenditures of Federal Awards			\$ 192,716	\$ 2,725,989

* Denotes a major program.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

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 2020, the negotiated rate is 30.8% based on Modified Total Direct Costs. As such, the organization is not eligible to elect use of the 10% *de minimis* indirect cost rate.

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

August 4, 2021

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 (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activity, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 4, 2021.

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

August 4, 2021

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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's 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, 2020.

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 our opinion on compliance for each 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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, 2020

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 awards 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. 16.575 "Crime Victim Assistance."
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.