

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

FINANCIAL STATEMENTS  
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2023 AND 2022

UNIFORM GUIDANCE SUPPLEMENTARY FINANCIAL REPORTS  
YEAR ENDED DECEMBER 31, 2023



KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

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, 2023 and 2022, and the related statements of activity, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of King County Sexual Assault Resource Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about King County Sexual Assault Resource Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 King County Sexual Assault Resource Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about King County Sexual Assault Resource Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**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 September 4, 2024, on our consideration of the 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 solely 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 effectiveness of the King County Sexual Assault Resource Center’s 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  
Seattle, Washington  
September 4, 2024

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and cash equivalents	\$ 892,249	\$ 1,911,893
Grants and accounts receivable	1,211,239	799,961
Promises to give	467,380	313,010
Prepays and deposits	435,233	390,960
	<u>3,006,101</u>	<u>3,415,824</u>
Total Current Assets		
Promises to Give, net of current portion	318,600	334,300
Right-of-Use Asset	967,116	1,146,388
Leasehold Improvements	1,322,187	1,322,187
Furniture and Equipment	334,517	334,517
Accumulated Depreciation	<u>(854,289)</u>	<u>(698,409)</u>
Net Property and Equipment	<u>802,415</u>	<u>958,295</u>
	<u>\$ 5,094,232</u>	<u>\$ 5,854,807</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities		
Accounts payable	\$ 113,394	\$ 148,637
Accrued payroll and related liabilities	515,483	534,588
Deferred revenue	10,263	3,540
Current portion, operating lease liability	212,370	193,405
Current portion, financing lease	10,992	14,575
Current portion, note payable	54,789	67,063
	<u>917,291</u>	<u>961,808</u>
Total Current Liabilities		
Operating lease liability, less current portion above	1,468,029	1,713,364
Financing Lease, less current portion above	-	10,514
Note Payable, less current portion above	-	54,790
	<u>2,385,320</u>	<u>2,740,476</u>
Total Liabilities		
Net Assets		
Without donor restrictions	1,663,197	2,332,781
With donor restrictions	1,045,715	781,550
	<u>2,708,912</u>	<u>3,114,331</u>
Total Net Assets	<u>\$ 5,094,232</u>	<u>\$ 5,854,807</u>

See notes to financial statements.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF ACTIVITY

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Government grants	\$ 6,014,454	\$ -	\$ 6,014,454	\$ 5,712,891	\$ -	\$ 5,712,891
Private grants and contributions	352,036	748,515	1,100,551	697,965	568,050	1,266,015
In-kind contributions	58,790	-	58,790	63,916	-	63,916
Fundraising events	954,940	-	954,940	798,121	-	798,121
Fees for service	403,764	-	403,764	330,698	-	330,698
Investment returns	11,500	-	11,500	(14,532)	-	(14,532)
Miscellaneous	203,963	-	203,963	6,249	-	6,249
Net assets released from time restrictions	438,600	(438,600)	-	314,750	(314,750)	-
Net assets released from purpose restrictions	45,750	(45,750)	-	6,500	(6,500)	-
Total Public Support and Revenue	<u>8,483,797</u>	<u>264,165</u>	<u>8,747,962</u>	<u>7,916,558</u>	<u>246,800</u>	<u>8,163,358</u>
Expenses						
Program services	6,715,562	-	6,715,562	6,246,875	-	6,246,875
Management and general	932,851	-	932,851	866,586	-	866,586
Fundraising and communications	1,504,968	-	1,504,968	1,354,798	-	1,354,798
Total Expenses	<u>9,153,381</u>	<u>-</u>	<u>9,153,381</u>	<u>8,468,259</u>	<u>-</u>	<u>8,468,259</u>
Total Change in Net Assets	(669,584)	264,165	(405,419)	(551,701)	246,800	(304,901)
Net Assets - beginning of year	<u>2,332,781</u>	<u>781,550</u>	<u>3,114,331</u>	<u>2,884,482</u>	<u>534,750</u>	<u>3,419,232</u>
Net Assets - end of year	<u>\$ 1,663,197</u>	<u>\$ 1,045,715</u>	<u>\$ 2,708,912</u>	<u>\$ 2,332,781</u>	<u>\$ 781,550</u>	<u>\$ 3,114,331</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023						2022					
	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	\$ 4,897,588	\$ 319,424	\$ 5,217,012	\$ 686,154	\$ 1,015,935	\$ 6,919,101	\$ 4,635,463	\$ 246,609	\$ 4,882,072	\$ 625,288	\$ 915,433	\$ 6,422,793
Professional fees	652,352	23,766	676,118	149,240	228,721	1,054,079	512,532	16,681	529,213	133,241	218,499	880,953
Occupancy	295,699	25,027	320,726	29,591	42,100	392,417	256,400	12,346	268,746	21,606	27,780	318,132
Depreciation	113,346	7,312	120,658	12,377	22,845	155,880	123,773	5,869	129,642	13,701	21,354	164,697
Dues and subscriptions	66,205	3,860	70,065	17,075	42,920	130,060	72,169	3,057	75,226	14,585	36,871	126,682
Travel and events	54,175	3,949	58,124	4,732	51,987	114,843	27,510	896	28,406	1,590	3,942	33,938
Other office expenses	60,386	3,482	63,868	14,562	23,732	102,162	95,843	4,011	99,854	30,537	75,659	206,050
Communication	55,219	2,455	57,674	7,020	9,194	73,888	41,122	1,277	42,399	4,627	6,195	53,221
Program expenses and fees	58,922	-	58,922	-	-	58,922	72,445	4	72,449	9	14	72,472
Insurance	23,434	1,305	24,739	8,416	4,077	37,232	28,161	1,182	29,343	8,401	4,286	42,030
Supplies	13,156	2,459	15,615	1,275	11,186	28,076	10,768	498	11,266	1,220	2,381	14,867
Advertising	2,262	146	2,408	245	21,830	24,483	3,367	160	3,527	370	25,925	29,822
Conference fees	9,470	-	9,470	-	11,581	21,051	-	-	-	-	-	-
Printing	2,892	400	3,292	161	14,771	18,224	2,635	587	3,222	116	5,755	9,093
Training	9,231	14	9,245	753	1,076	11,074	9,421	-	9,421	5,729	817	15,967
Technology and equipment	5,623	321	5,944	960	1,004	7,908	57,650	2,527	60,177	5,361	8,437	73,975
Postage and shipping	1,588	94	1,682	290	2,009	3,981	1,831	81	1,912	205	1,450	3,567
Total Expenses	<u>\$ 6,321,548</u>	<u>\$ 394,014</u>	<u>\$ 6,715,562</u>	<u>\$ 932,851</u>	<u>\$ 1,504,968</u>	<u>\$ 9,153,381</u>	<u>\$ 5,951,090</u>	<u>\$ 295,785</u>	<u>\$ 6,246,875</u>	<u>\$ 866,586</u>	<u>\$ 1,354,798</u>	<u>\$ 8,468,259</u>



KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from:		
Governmental agencies	\$ 5,610,547	\$ 5,733,085
Donors	1,916,821	1,831,317
Service fees and other revenue	607,079	361,343
Interest	11,500	573
Cash paid for:		
Personnel	(6,948,557)	(6,351,673)
Vendors	(2,130,976)	(1,840,226)
Interest	<u>(4,897)</u>	<u>(8,423)</u>
Net Cash Used by Operating Activities	<u>(938,483)</u>	<u>(274,004)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on notes payable	(67,064)	(64,150)
Payments on financing lease	<u>(14,097)</u>	<u>(13,485)</u>
Net Cash Used by Financing Activities	<u>(81,161)</u>	<u>(77,635)</u>
Changes in Cash and Cash Equivalents	(1,019,644)	(351,639)
Cash and Cash Equivalents - beginning of year	<u>1,911,893</u>	<u>2,263,532</u>
Cash and Cash Equivalents - end of year	<u>\$ 892,249</u>	<u>\$ 1,911,893</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Reconciliation of Change in Net Assets to Net Cash from Operating Activities</b>		
Change in net assets	\$ (405,419)	\$ (304,901)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	155,880	164,698
Change in:		
Grants receivable	(411,278)	59,155
Promises to give	(138,670)	(232,819)
Prepays and deposits	(44,273)	39,406
Right-of-use lease asset	179,272	(1,146,388)
Accounts payable	(35,243)	68,603
Accrued payroll and related liabilities	(19,105)	21,149
Operating lease liability	(226,370)	1,056,553
Deferred revenue	<u>6,723</u>	<u>540</u>
Net Cash Used by Operating Activities	<u>\$ (938,483)</u>	<u>\$ (274,004)</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

King County Sexual Assault Resource Center (KCSARC) provides critical support and comprehensive services to children, teens and adults who have experienced sexual assault. We couple that with powerful prevention education that aims to stop sexual violence from happening in the first place. All of our direct services are available in both English and Spanish through our Dando Voz program. KCSARC has the expertise to help those who are victimized, process the impact of the abuse, whether it was recent or in the past. We provide services in a holistic and coordinated way so that people have the support, skills and knowledge needed to heal. Over half of KCSARC's clients are under the age of 18, and it is not uncommon for a family to access multiple services. Cost is never a barrier to any KCSARC service.

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>2023</u>	<u>2022</u>
Future Periods	\$ 867,215	\$ 740,800
Family Services	8,500	12,750
Prevention	25,000	11,250
Data Project	120,000	-
Client Services	<u>25,000</u>	<u>16,750</u>
	<u>\$ 1,045,715</u>	<u>\$ 781,550</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, 2023 AND 2022

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, 2023 and 2022, 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, 2023 AND 2022

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, 2023 and 2022 are considered immaterial.

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

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 523,113	\$ 378,700
One to three years	<u>318,600</u>	<u>334,300</u>
	841,713	713,000
Less allowance for uncollectible	<u>(55,733)</u>	<u>(65,690)</u>
Total Unconditional Promises to Give	<u>\$ 785,980</u>	<u>\$ 647,310</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, 2023 and 2022, King County Sexual Assault Resource Center had conditional contributions and grants totaling \$4,501,485 and \$3,296,807, respectively, which had not been recognized in the accompanying financial statements.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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. In-kind contributions consisted of the following for the years ended December 31 as follows:

	<u>2023</u>	<u>2022</u>
Advertising	\$ 35,200	\$ 17,600
Other	14,120	36,846
Facilities	<u>9,470</u>	<u>9,470</u>
	<u>\$ 58,790</u>	<u>\$ 63,916</u>

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, 2023 and 2022, two government agencies provided 50% and 53% of King County Sexual Assault Resource Center's total support and revenue. At December 31, 2023 and 2022, approximately 74% and 56%, 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, 2023 AND 2022

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, 2023 and 2022, financial assets available to meet cash needs for general expenditures within one year were as follows:

	<u>2023</u>	<u>2022</u>
Total financial assets	\$ 2,889,468	\$3,359,164
Less promises due in more than one year	<u>(318,600)</u>	<u>(334,300)</u>
	<u>\$ 2,570,868</u>	<u>\$3,024,864</u>

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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 3.5% and matured on October 1, 2023. King County Sexual Assault Resource Center entered into a \$300,000 revolving line of credit on January 12, 2024. The line of credit bears interest at a minimum of 8.5% and matures on January 12, 2025. There was no outstanding balance on the line of credit at December 31, 2023.

NOTE D - 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 by October 2026. The interest rate on the note is 4.45%. Principal payments totaling \$54,789 for the note payable are due during the ending December 31, 2024.

NOTE E - RETIREMENT PLAN

King County Sexual Assault Resource Center offers a retirement savings plan (the plan) under section 401(k) of the Internal Revenue Code. King County Sexual Assault Resource Center matches 100% up to 3% of an employee's compensation, and 50% between 3% and 5%. King County Sexual Assault Resource Center's contributions to the plan totaled \$181,993 and \$154,925, respectively, for the years ended December 31, 2023 and 2022.

NOTE F - LEASE COMMITMENTS

In 2019, King County Sexual Assault Resource Center entered into an operating lease for office space under a non-cancelable lease agreement that commenced January 2020 and expires in April 2030, and also leases certain office equipment under a non-cancelable financing lease. Operating leases are included in Right of Use (ROU) assets and lease liabilities in the statement of financial position, and financing leases are included in property and equipment and lease liabilities. ROU assets represent a right to use an underlying asset for the lease term and lease liability represent the King County Sexual Assault Resource Center's obligation to make lease payments arising from the lease. The discount rate represents King County Sexual Assault Resource Center's election of the risk-free rate. Non lease components, such as payments required for common area maintenance, are not included in the lease liability and are expensed as incurred.

The components of the lease cost for the years ended December 31, are as follows:

	<u>2023</u>	<u>2022</u>
Operating lease costs	\$ 225,345	\$ 173,483
Financing lease costs	13,362	13,362



KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE F - LEASE COMMITMENTS (Continued)

Supplemental cash flow information:

Weighted-average remaining lease term - operating	6.33 years
Weighted-average remaining lease term - financing	8 months
Weighted-average discount rate - operating	4.50%
Weighted-average discount rate - financing	4.45%

Maturities of operating lease liabilities are as follows for the years ending December 31:

2024	\$ 281,232
2025	290,021
2026	298,809
2027	307,598
2028	316,386
Thereafter	<u>436,496</u>
	1,930,542
Less present value discount	<u>(250,143)</u>
	<u>\$ 1,680,399</u>

Maturities of financing lease liabilities are as follows for the years ending December 31:

2024	\$ 11,104
Less present value discount	<u>(112)</u>
	<u>\$ 10,992</u>

NOTE G - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2023 through September 4, 2024, 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, 2023, 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, 2023

**Grantor**

*Pass-through Grantor*

Program Name	Period	BARS #	State Grant No.	Award Amount	Expenditures
<b>Washington State Department of Commerce, Office of Crime Victims Advocacy</b>					
Sexual Assault Core and Specialized Services	7/1/22-6/30/23	3340423	23-31310-134	\$ 2,223,285	
Sexual Assault Core and Specialized Services	7/1/23-6/30/24	3340423	24-31310-134	2,284,825	
Sexual Assault Core and Specialized Services	7/1/22-6/30/23	3340423	23-31322-001	114,000	
Sexual Assault Core and Specialized Services	7/1/23-6/30/24	3340423	24-31322-001	<u>114,000</u>	
				4,736,110	\$ 2,291,141
Crime Victims Service Center	7/1/21-6/30/23	3340422	22-31219-016	210,264	
Crime Victims Service Center	7/1/23-6/30/25	3340422	24-31219-015	<u>128,840</u>	
				339,104	113,024
CBO Behavioral Health	8/1/22-9/30/23	131264		150,000	<u>89,454</u>
<b>Total State Financial Assistance</b>					<u>\$ 2,493,619</u>

**UNIFORM GUIDANCE SUPPLEMENTARY INFORMATION**

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

**Federal Grantor**

<i>Pass-through Grantor</i> "Program Title"	Contract Number	Assistance Listing No.	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Justice</b>				
"Legal Assistance for Victims"	15JOVW-21-GG-00398-LEGA	16.524	\$ 205,451	\$ 292,447
"Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies"	15JOVW-22-GG-01074-CY	16.888	796	26,819
<i>Washington State Department of Commerce: Community Services Division Office of Crime Victims Advocacy</i>				
"Sexual Assault Services Formula Program"	F18-31311-505	16.017	-	105,458
<i>Washington State Department of Commerce: Community Services Division Office of Crime Victims Advocacy</i>				
"Crime Victim Assistance"	24-31310-134		-	1,088,820
"Crime Victim Assistance"	24-31219-015		-	58,256
		16.575*	-	1,147,076
<i>Bureau of Justice Assistance: Consolidated Appropriations Act</i>				
"Congressionally Recommended Awards"	F22-31450-001	16.753	-	164,895
Subtotal Department of Justice			206,247	1,736,695
<b>Department of Education</b>				
<i>Office of Superintendent of Public Inspection</i>				
"Education Stabilization Fund"	131264	84.425	-	89,455
<b>Department of Housing and Urban Development</b>				
<i>City of Renton</i>				
"Community Development Block Grants / Entitlement Grants "	KC#6322306 ; CV22301	14.218	-	14,300
CDBG - Entitlement/Special Purpose Grants Cluster			-	14,300
<b>Department of Health and Human Services</b>				
<i>Washington State Department of Commerce: Community Services and Housing Division Office of Crime Victims Advocacy</i>				
COVID-19 "Family Violence Prevention and Services/Sexual Assault/ Rape Crisis Services and Supports"	F21-31321-015	93.497	-	44,917
<b>Department of the Treasury</b>				
<i>Washington HealthCare Authority</i>				
COVID-19 "Coronavirus State and Local Fiscal Recovery Funds"	G355	21.027	-	24,511
			-	24,511
Total Expenditures of Federal Awards			\$ 206,247	\$ 1,909,878

\* Denotes a major program.

See notes to schedule.

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

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 2023, the negotiated rate is 31.6% 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*

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, 2023 and 2022, 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 September 4, 2024.

**Report on 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 or significant deficiencies may exist that were not identified.

### **Report on 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  
Seattle, Washington  
September 4, 2024



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

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, 2023. 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.

**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 above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

**Basis for Opinion on Each Major Federal Program**

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of King County Sexual Assault Resource Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of King County Sexual Assault Resource Center's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to King County Sexual Assault Resource Center's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on King County Sexual Assault Resource Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about King County Sexual Assault Resource Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding King County Sexual Assault Resource Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of King County Sexual Assault Resource Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 King County Sexual Assault Resource Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

*Government Auditing Standards* requires the auditor to perform limited procedures on King County Sexual Assault Resource Center's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. King County Sexual Assault Resource Center's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Seattle, Washington

September 4, 2024

KING COUNTY SEXUAL ASSAULT RESOURCE CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2023

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 Assistance Listing 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