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SEXUAL ASSAULT RESOURCE AGENCY, INC.

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

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SEXUAL ASSAULT RESOURCE AGENCY, INC.  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2016

Table of Contents

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	<u>Page</u>
Independent Auditors' Report.....	1
<i>Financial Statements:</i>	
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements.....	6-9

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## Independent Auditors' Report

To the Board of Directors  
Sexual Assault Resource Agency, Inc.  
Charlottesville, Virginia

We have audited the accompanying financial statements of Sexual Assault Resource Agency, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 above present fairly, in all material respects, the financial position of Sexual Assault Resource Agency, Inc. as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
February 13, 2017

- Financial Statements -

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Statement of Financial Position  
At June 30, 2016

**ASSETS**

Current assets:

Cash and cash equivalents	\$	292,856
Accounts receivable		30,553
Prepaid expenses		3,401
Security Deposit		<u>3,069</u>
Total current assets	\$	<u>329,878</u>

Property and equipment (Note 3):

Furniture and fixtures	\$	17,424
Less: Accumulated depreciation		<u>(4,006)</u>
Net property and equipment	\$	<u>13,418</u>
Total assets	\$	<u><u>343,296</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable	\$	5,288
Accrued expenses		7,575
Compensated absences		12,693
Deferred revenue		<u>2,750</u>
Total current liabilities	\$	<u>28,306</u>

Total liabilities	\$	<u>28,306</u>
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Net assets:

Unrestricted	\$	314,989
Total net assets	\$	<u>314,989</u>
Total liabilities and net assets	\$	<u><u>343,296</u></u>

The accompanying notes to financial statements are an integral part of this statement.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Statement of Activities  
For the Year Ended June 30, 2016

	Unrestricted Funds	Temporarily Restricted Funds	Total Funds
<b>Revenues, gains, and other support:</b>			
Grants from government agencies:			
State VOCA	\$ -	\$ 140,450	\$ 140,450
State DSS	-	65,527	65,527
State V-STOP	-	31,720	31,720
State SASP	-	9,525	9,525
State VDH	-	87,294	87,294
State Victim Fund	-	34,208	34,208
City of Charlottesville	22,440	-	22,440
County of Albemarle	15,450	-	15,450
County of Fluvanna	1,000	-	1,000
County of Nelson	800	-	800
Total grants from government agencies	\$ 39,690	\$ 368,724	\$ 408,414
Other grants	132,649	-	132,649
Contributions	93,311	-	93,311
Fundraising income	78,745	-	78,745
Gain on Sale of Asset	108,542	-	108,542
In-kind donations	1,835	-	1,835
Miscellaneous income	115	-	115
Investment income	2,307	-	2,307
Net assets released from restrictions	370,621	(370,621)	-
Total revenues, gains, and other support	\$ 827,814	\$ (1,897)	\$ 825,917
<b>Expenses:</b>			
Program services	\$ 461,152	\$ -	\$ 461,152
Supporting services:			
Management and general	67,917	-	67,917
Fundraising	27,430	-	27,430
Total expenses and losses	\$ 556,499	\$ -	\$ 556,499
Change in net assets	\$ 271,315	\$ (1,897)	\$ 269,418
Net assets, beginning of year	43,674	1,897	45,571
Net assets, end of year	\$ 314,989	\$ -	\$ 314,989

The accompanying notes to financial statements are an integral part of this statement.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Statement of Functional Expenses  
For the Year Ended June 30, 2016

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Support	
Salaries and wages	\$ 305,854	\$ 34,274	\$ 16,488	\$ 50,762	\$ 356,616
Employee benefits	27,102	1,669	1,685	3,354	30,456
Payroll taxes	25,746	2,920	1,318	4,238	29,984
Accounting fees	-	11,310	-	11,310	11,310
Advertising	315	25	-	25	340
Bank and merchant fees	-	661	-	661	661
Consulting and Facilitator Fees	6,100	-	-	-	6,100
Depreciation expense	-	1,135	-	1,135	1,135
Dues and subscriptions	714	905	108	1,013	1,727
Education and training	20,589	-	-	-	20,589
Insurance	7,279	1,255	192	1,447	8,726
Meals	130	25	-	25	155
Mileage & Subsistence	5,727	321	-	321	6,048
Miscellaneous	638	896	48	944	1,582
Office expense	2,640	456	70	526	3,166
Photocopying	705	281	20	301	1,006
Postage	540	515	466	981	1,521
Printing/awareness materials	3,283	56	2,748	2,804	6,087
Rent	29,823	5,149	787	5,936	35,759
Repair and maintenance	2,298	395	61	456	2,754
Supplies	9,721	3,357	75	3,432	13,153
Supervision	900	-	-	-	900
Special event expense	250	1,506	3,302	4,808	5,058
State wide hotline	1,060	-	-	-	1,060
Telephone	5,259	402	-	402	5,661
Therapeutic horseback	910	-	-	-	910
Travel	1,229	-	-	-	1,229
Utilities	2,340	404	62	466	2,806
Total	<u>\$ 461,152</u>	<u>\$ 67,917</u>	<u>\$ 27,430</u>	<u>\$ 95,347</u>	<u>\$ 556,499</u>

The accompanying notes to financial statements are an integral part of this statement.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Statement of Cash Flows  
For the Year Ended June 30, 2016

Cash flows from operating activities:	
Change in net assets	\$ 269,418
Adjustments to reconcile net assets to net cash provided by (used for) operating activities:	
Loss on Asset Disposal	229
Gain on sale of house	(108,771)
Depreciation	1,135
(Increase) decrease in assets:	
Accounts receivable	2,970
Security Deposit	(3,069)
Prepaid expenses	(3,401)
Increase (decrease) in liabilities:	
Accounts payable	4,637
Accrued expenses	212
Compensated absences	(749)
Deferred revenue	<u>(23,250)</u>
Net cash provided by (used for) operating activities	<u>\$ 139,362</u>
Cash flows provided by (used for) investing activities:	
Purchase of property and equipment	<u>\$ (11,964)</u>
Net cash provided by (used for) investing activities	<u>\$ (11,964)</u>
Cash flows provided by (used for) financing activities:	
Proceeds from sale of house	308,312
Principal payments on mortgages payable	<u>\$ (235,103)</u>
Net cash provided by (used for) financing activities	<u>\$ 73,209</u>
Net increase (decrease) in cash and cash equivalents	\$ 200,607
Cash and cash equivalents, beginning of year	<u>92,248</u>
Cash and cash equivalents, end of year	<u><u>\$ 292,855</u></u>
Supplemental disclosure of cash flows information:	
Interest paid during the year	<u><u>\$ -</u></u>

The accompanying notes to financial statements are an integral part of this statement.



SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements  
At June 30, 2016

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NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Background:

Sexual Assault Resource Agency, Inc. (SARA) provides crisis intervention, support, advocacy, and companion services to the survivors of sexual violence. SARA also provides education and prevention programs to the City of Charlottesville, the University of Virginia, and the counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson.

The Organization receives its funds primarily from state, city, and county governments and through private donations and fundraising.

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized in the period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Financial Statement Presentation:

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

*Unrestricted Net Assets* - Net assets not subject to donor-imposed restrictions. At June 30, 2016, the Organization had unrestricted net assets of \$314,990.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. At June 30, 2016, the Organization did not have any temporarily restricted net assets.

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. At June 30, 2016, the Organization did not have any permanently restricted net assets.

Accounts Receivable:

The Organization has historically collected substantially all of its receivables. At June 30, 2016, the Organization did not have any receivables outstanding over 90 days.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements  
At of June 30, 2016 (continued)

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

Deferred Revenue:

The Organization reported \$2,750 of grants awarded as deferred revenue for use toward Prevention Education programs for the next fiscal year.

**NOTE 2 - CASH AND CASH EQUIVALENTS:**

The Organization considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be "cash equivalents."

The Organization maintains its deposits in two financial institutions. At June 30, 2016, \$157,487 of the Organization's cash equivalents were held in investments not covered by FDIC.

**NOTE 3 - PROPERTY AND EQUIPMENT:**

Purchased property and equipment costing in excess of \$250 are recorded at cost. Donated property and equipment are recorded at the estimated fair market value at the date of the gift. Depreciation is provided over the estimated useful lives of the asset on a straight-line basis. Estimated useful lives range from 5 to 7 years for furniture and fixtures. Depreciation expense for property and equipment was \$1,135 for the year.

**NOTE 4 - USE OF ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 5 - INCOME TAX STATUS:**

The Organization is a not-for-profit organization exempt from income taxes under 501(c) (3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi).

**NOTE 6 - DONATED MATERIALS AND CONTRIBUTED SERVICES:**

Contributions of donated noncash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the year received. Donated materials and services of \$1,835 were received during the year.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements  
At of June 30, 2016 (continued)

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**NOTE 7 - FUNCTIONAL ALLOCATION OF EXPENSES:**

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

**NOTE 8 - RETIREMENT PLAN:**

The Organization has a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. All full-time employees are eligible to participate in the plan on the first day of their second year of employment. Contributions of \$2,082 were made by SARA on behalf of its employees for the year ended June 30, 2016.

**NOTE 9 - COMPENSATED ABSENCES:**

The Organization has a policy which allows for the accumulation of vacation leave until termination or retirement. The Organization has compensated absences totaling \$12,693 at June 30, 2016.

**NOTE 10 - RESTRICTED NET ASSETS:**

Net assets were released from restrictions by incurring expenditures satisfying the following restricted purpose:

State VOCA	\$	140,450
State DSS		65,527
State V-STOP		31,720
State SASP		9,525
State VDH		87,294
State Victim Fund		34,208
Other Grants		<u>1,897</u>
Total	\$	<u><u>370,621</u></u>

**NOTE 11 - LEASE COMMITMENTS:**

On August 1, 2016, the Organization undertook a five year lease for new office space at a new location. Below is the future lease payments for the two leases obtained:

<u>Year Ending June 30,</u>	<u>Future Lease Payments</u>
2017	\$ 38,709
2018	38,880
2019	40,068
2020	41,281
2021	<u>3,448</u>
Totals	\$ <u><u>162,386</u></u>

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements  
At of June 30, 2016 (continued)

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**NOTE 12 - SUBSEQUENT EVENTS:**

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through February 13, 2017, the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.