

SEXUAL ASSAULT RESOURCE AGENCY, INC.

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

SEXUAL ASSAULT RESOURCE AGENCY, INC.

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

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Independent Auditors' Report

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

Opinion

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Sexual Assault Resource Agency, Inc. as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sexual Assault Resource Agency, Inc. and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Sexual Assault Resource Agency, Inc.'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 auditors' 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 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 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, 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 Sexual Assault Resource Agency, Inc.'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 Sexual Assault Resource Agency, Inc.'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.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
December 15, 2024

- Financial Statements -

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Statement of Financial Position
As of June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 430,435
Investments	184,216
Grants receivable	49,836
Prepaid expenses	3,623
Security deposit	<u>3,069</u>
Total current assets	<u>\$ 671,179</u>

Property and equipment (Note 3):

Furniture and fixtures	\$ 23,907
Accumulated depreciation	<u>(20,593)</u>
Net property and equipment	<u>\$ 3,314</u>
Total assets	<u><u>\$ 674,493</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Current liabilities:

Accounts payable	\$ 3,138
Accrued expenses	11,177
Payroll protection loan	148,997
Compensated absences	<u>19,570</u>
Total liabilities	<u>\$ 182,882</u>

Net assets:

Net assets without donor restrictions	\$ 478,204
Net assets without donor restrictions - Board Designated Reserve	<u>13,407</u>
Total net assets	<u>\$ 491,611</u>
Total liabilities and net assets	<u><u>\$ 674,493</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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Grants from government agencies:			
State VSGP	\$ -	\$ 154,163	\$ 154,163
State DCJS	-	70,000	70,000
State V-STOP	-	19,536	19,536
State SASP	-	(6,345)	(6,345)
State VDH	-	147,069	147,069
City of Charlottesville	13,125	-	13,125
County of Albemarle	16,391	-	16,391
University of Virginia	20,000	-	20,000
County of Fluvanna	1,050	-	1,050
County of Nelson	9,785	-	9,785
St James Episcopal	500	-	500
Total grants from government agencies	\$ 60,851	\$ 384,423	\$ 445,274
Other Grants/Contributions	376,076	-	376,076
Special Events	72,525	-	72,525
Other income	24,490	-	24,490
PPP loan forgiveness	126,592	-	126,592
Interest and dividends	2,698	-	2,698
Realized/Unrealized gain or (loss) on investments	(13,808)	-	(13,808)
Net assets released from restrictions	384,423	(384,423)	-
Total revenues, gains, and other support	\$ 1,033,847	\$ -	\$ 1,033,847
Expenses:			
Program services:			
Crisis and direct services	\$ 387,239	\$ -	\$ 387,239
Prevention programs	213,975	-	213,975
Outreach services	101,419	-	101,419
General services	37,441	-	37,441
Supporting services:			
Management and general	159,770	-	159,770
Fundraising	38,169	-	38,169
Total expenses	\$ 938,013	\$ -	\$ 938,013
Change in net assets	\$ 95,834	\$ -	\$ 95,834
Net assets, beginning of year	395,777	-	395,777
Net assets, end of year	\$ 491,611	\$ -	\$ 491,611

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, 2022

	Program Services					Supporting Services			
	Crisis and Direct Services	Prevention Programs	Outreach Services	General Program	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and wages	\$ 307,047	\$ 145,901	\$ 79,754	\$ 32,136	\$ 564,838	\$ 69,197	\$ 22,753	\$ 91,950	\$ 656,788
Employee benefits	31,507	13,685	7,849	2,849	55,890	6,425	2,017	8,442	64,332
Payroll taxes	23,468	11,151	6,096	2,456	43,171	5,289	1,739	7,028	50,199
Accounting fees	-	-	-	-	-	16,970	-	16,970	16,970
Advertising	228	937	-	-	1,165	1,516	-	1,516	2,681
Bank and merchant fees	-	-	-	-	-	2,375	-	2,375	2,375
Consulting and facilitator fees	-	177	-	-	177	1,380	-	1,380	1,557
Depreciation	-	-	-	-	-	2,651	-	2,651	2,651
Dues and subscriptions	3,293	200	-	-	3,493	2,415	2,495	4,910	8,403
Fundraising	-	-	-	-	-	-	16	16	16
Education and training	1,882	15,050	-	-	16,932	1,064	-	1,064	17,996
Insurance	-	-	-	-	-	9,649	-	9,649	9,649
Miscellaneous	-	-	-	-	-	102	-	102	102
Office Supplies/Expenses	2,139	107	316	-	2,562	12,441	-	12,441	15,003
Postage	-	-	-	-	-	102	-	102	102
Printing/awareness materials	187	3,000	1,239	-	4,426	(812)	355	(457)	3,969
Recruiting	-	-	-	-	-	954	-	954	954
Rent	11,095	21,814	5,671	-	38,580	3,698	493	4,191	42,771
Repair and maintenance	-	-	-	-	-	2,516	-	2,516	2,516
Equipment	184	73	14	-	271	8,353	138	8,491	8,762
Supervision	4,813	-	-	-	4,813	-	-	-	4,813
Special event expense	-	1,206	-	-	1,206	-	8,028	8,028	9,234
Telephone	200	-	-	-	200	5,856	-	5,856	6,056
Translation services	241	-	-	-	241	-	-	-	241
Travel	955	1,204	480	-	2,639	4,397	135	4,532	7,171
Utilities	-	(530)	-	-	(530)	3,232	-	3,232	2,702
Total	\$ 387,239	\$ 213,975	\$ 101,419	\$ 37,441	\$ 740,074	\$ 159,770	\$ 38,169	\$ 197,939	\$ 938,013

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, 2022

Cash flows from operating activities:	
Change in net assets	\$ 95,834
Adjustments to reconcile net assets to net cash provided by (used for) operating activities:	
Investment income	11,477
Depreciation	2,651
PPP Loan forgiveness of debt	(126,592)
(Increase) decrease in assets:	
Grants receivable	224,465
Accounts receivable	22,476
Security Deposit	-
Prepaid expenses	(175)
Increase (decrease) in liabilities:	
Accounts payable	(365)
Accrued expenses	1,080
Compensated absences	(7,712)
Net cash provided by (used for) operating activities	\$ <u>223,139</u>
Principal payments on PPP Loan	\$ <u>(35,908)</u>
Net cash provided by (used for) financing activities	\$ <u>(35,908)</u>
Net increase (decrease) in cash and cash equivalents	\$ 187,231
Cash and cash equivalents, beginning of year	<u>243,204</u>
Cash and cash equivalents, end of year	\$ <u><u>430,435</u></u>

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

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Background:

Sexual Assault Resource Agency, Inc. (SARA or the Organization) 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.

SARA's crisis and direct services include a 24-hour hotline and 24/7/365 response to the University of Virginia Emergency Department to support survivors. Services at the office include therapy and advocacy. Advocacy includes psycho-educational support, support with law enforcement and the legal system, and referrals to other community resources. Services are provided to men, women, and children, both as survivors of assaults when children and as adults.

SARA's prevention programs work to build protective factors in our community. We work with area high schools using the Green Dot program to build a supportive culture within the school. We support area churches with the Safe Church program. We work with a local restaurant coalition to help restaurant staff create a safe environment for themselves and customers.

Outreach services are provided in multiple ways. SARA participates in area Multi-Disciplinary Teams working to support child abuse victims. SARA is actively involved with area Sexual Assault Response Teams which work to coordinate the criminal justice response to adult survivors. Community outreach and training is provided with activities throughout the area as well with an active social media presence.

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:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations. At June 30, 2022, the Organization had net assets without donor restrictions of \$491,204.

Net assets with donor restrictions: 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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At June 30, 2022, the Organization had no net assets with donor restrictions.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2022 (continued)

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

Receivables:

The Organization has historically collected substantially all of its receivables. Grants receivable are primarily made up of receivables for grants from governmental agencies. At June 30, 2022, the Organization had \$49,836 of Grants receivable.

Contributions:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions 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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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.

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, 2022, \$222,032 of the Organization's cash equivalents were held in investments not covered by FDIC.

<u>Cash and cash equivalents:</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash	\$ 392,619	\$ 392,619	\$ -
Money market mutual fund	37,816	37,816	-
Total cash and cash equivalents	<u>\$ 430,435</u>	<u>\$ 430,435</u>	<u>\$ -</u>
<u>Investments:</u>			
Fixed income securities	<u>\$ 193,781</u>	<u>\$ 184,216</u>	<u>\$ 9,565</u>
Total cash, cash equivalents, and investments	<u>\$ 624,216</u>	<u>\$ 614,651</u>	<u>\$ 9,565</u>

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2022 (continued)

NOTE 3 - FAIR VALUE MEASUREMENT:

The Organization has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification for financial instruments measured at fair value on a recurring basis. The standard defines fair value and establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands disclosures about fair value measurements.

Fair value is defined 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. The framework establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

These tiers include:

- Level 1 Fair Value Measurements – Defined as observable inputs such as quoted prices (unadjusted) for identical investments in active markets
- Level 2 Fair Value Measurements – Defined as inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active. There are no level 2 investments as of June 30, 2022.
- Level 3 Fair Value Measurements – Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions such as valuation derived from valuation techniques in which one or more significant value drivers are observable. There are no level 3 investments as of June 30, 2022.

The Organization measured certain financial instruments at fair value on a recurring basis. Financial assets measured at fair value on a recurring basis are as follows as of June 30, 2022:

	Fair Value Measurements at Reporting Date	
	6/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)
Vanguard Short Term Bond Index	\$ 166,096	\$ 166,096
Vanguard Intermediate Term Bond Index	18,120	18,120
Total	<u>\$ 184,216</u>	<u>\$ 184,216</u>

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2022 (continued)

NOTE 4 - 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 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 \$2,651 for the year.

NOTE 5 - PREPAID EXPENSES:

Prepaid expenses consists entirely of prepaid rent.

NOTE 6 - SECURITY DEPOSIT:

Security Deposit consists entirely of one deposit made at lease inception for the Organization's lease of the Greenbrier Drive location.

NOTE 7 - 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 8 - 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 9 - DONATED MATERIALS AND CONTRIBUTED SERVICES:

Contributions of donated noncash assets are recorded at their fair 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. There were no donated materials and services received during the year.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2022 (continued)

NOTE 10 - 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. Some categories of expenses are attributed to more than one program or supporting function. Accordingly, some expense apportionments are estimates because of the overlap of activities and the difficulty of record keeping for usage. Allocation of expenses such as salaries and wages, education and training, and supplies are allocated based on time, effort, and usage. Specifically identifiable expenses are directly allocated.

NOTE 11 - 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 \$4,500 were made by SARA on behalf of its employees for the year ended June 30, 2022.

NOTE 12 - COMPENSATED ABSENCES:

The Organization has a policy which allows for employees to accumulate a maximum for 80 vacation hours and 200 sick leave hours. The Organization has compensated absences totaling \$19,570 at June 30, 2022.

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS:

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

State VOCA	\$	154,163
State FACT		70,000
State V-STOP		19,536
State SASP		(6,345)
State VDH		<u>147,069</u>
Total	\$	<u><u>384,423</u></u>

NOTE 14 - LEASE COMMITMENTS:

On August 1, 2016, the Organization undertook a five-year lease for new office space at a new location, with an option to renew for an additional five years. Rent expense for the fiscal year 2022 was \$42,771. Below are the future lease payments:

<u>Year Ending</u> <u>June 30,</u>	<u>Future Lease</u> <u>Payments</u>
2023	\$ 43,388
2024	44,473
2025	<u>44,563</u>
Total	\$ <u><u>132,424</u></u>

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2022 (continued)

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

Cash and cash equivalents	\$	430,435
Investments		184,216
Grants receivable		<u>49,836</u>
	\$	<u><u>664,487</u></u>

NOTE 16 – PAYROLL PROTECTION LOAN:

On April 17, 2020, the Organization received a Payroll Protection Loan from the Small Business Administration as created by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES” Act) in the amount of \$162,500. On March 22, 2021, the Organization received a second Payroll Protection Loan in the amount of \$148,997. According to the rules of the program, the loans will be forgiven if they are spent on allowable costs (i.e. Payroll, rent and utilities payments, and interest payments on mortgages). In August of 2021, \$126,592 of the \$162,500 was forgiven. The remainder is expected to be repaid in full, with accrued interest. In July of 2022, the second Payroll Protection Loan of \$148,997 was forgiven in full.

NOTE 17 – BOARD DESIGNATED RESERVE:

The Board Designated Reserve was established to set aside funds to use as needed to off-set year end deficits, or unexpected expenses. The funds may be utilized as necessary after being approved by a vote of the Board of Directors. No Board Designated Reserve funds were unitized during the year ending June 30, 2022.

NOTE 18 – SUBSEQUENT EVENTS:

The Organization evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 15, 2024, which is the date financial statements were available to be issued.