
SEXUAL ASSAULT RESOURCE AGENCY, INC.

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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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, 2019, 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, 2019, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2019, Sexual Assault Resource Agency, Inc. adopted new accounting guidance, FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
May 15, 2020

- Financial Statements -

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Statement of Financial Position
As of June 30, 2019

ASSETS

Current assets:

Cash and cash equivalents	\$	241,093
Grants receivable		119,882
Prepaid expenses		3,348
Security deposit		3,069
Total current assets	\$	<u>367,392</u>

Property and equipment (Note 3):

Furniture and fixtures	\$	22,320
Accumulated depreciation		<u>(12,288)</u>
Net property and equipment	\$	<u>10,032</u>
Total assets	\$	<u><u>377,424</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Current liabilities:

Accounts payable	\$	750
Accrued expenses		7,271
Compensated absences		15,575
Total current liabilities	\$	<u>23,596</u>
Total liabilities	\$	<u>23,596</u>

Net assets:

Net assets without donor restrictions	\$	340,421
Net assets without donor restrictions - Board Designated Reserve		<u>13,407</u>
Total net assets	\$	<u>353,828</u>
Total liabilities and net assets	\$	<u><u>377,424</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, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Funds</u>
Revenues, gains, and other support:			
Grants from government agencies:			
State VOCA	\$ -	\$ 413,200	\$ 413,200
State FACT	-	5,636	5,636
State V-STOP	-	32,070	32,070
State SASP	-	12,474	12,474
State VDH	-	106,896	106,896
State Victim Fund	-	34,208	34,208
City of Charlottesville	23,113	-	23,113
County of Albemarle	21,218	-	21,218
University of Virginia	20,000	-	20,000
County of Fluvanna	1,000	-	1,000
County of Nelson	750	-	750
Total grants from government agencies	<u>\$ 66,081</u>	<u>\$ 604,484</u>	<u>\$ 670,565</u>
Other grants	25,340	-	25,340
Contributions	32,500	-	32,500
Fundraising income	161,232	-	161,232
In-kind donations	9,997	-	9,997
Investment income	10,390	-	10,390
Net assets released from restrictions	604,484	(604,484)	-
Total revenues, gains, and other support	<u>\$ 910,024</u>	<u>\$ -</u>	<u>\$ 910,024</u>
Expenses:			
Program services			
Crisis and direct services	\$ 424,684	\$ -	\$ 424,684
Prevention programs	183,324	-	183,324
Outreach services	140,944	-	140,944
Supporting services:			
Management and general	136,180	-	136,180
Fundraising	34,793	-	34,793
Total expenses	<u>\$ 919,925</u>	<u>\$ -</u>	<u>\$ 919,925</u>
Change in net assets	\$ (9,901)	\$ -	\$ (9,901)
Net assets, beginning of year	<u>363,729</u>	<u>-</u>	<u>363,729</u>
Net assets, end of year	<u>\$ 353,828</u>	<u>\$ -</u>	<u>\$ 353,828</u>

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, 2019

	Program Services				Supporting Services			Total
	Crisis and Direct Services	Prevention Programs	Outreach Services	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 303,743	\$ 128,588	\$ 100,015	\$ 532,346	\$ 68,717	\$ 19,627	\$ 88,344	\$ 620,690
Employee benefits	35,404	13,790	9,918	59,112	2,276	2,736	5,012	64,124
Payroll taxes	22,596	9,787	7,431	39,814	4,823	1,351	6,174	45,988
Accounting fees	-	-	-	-	15,825	-	15,825	15,825
Advertising	290	-	-	290	-	-	-	290
Bank and merchant fees	-	-	-	-	520	-	520	520
Depreciation	-	-	-	-	3,195	-	3,195	3,195
Dues and subscriptions	1,701	705	443	2,849	1,742	2,450	4,192	7,041
Education and training	8,385	2,464	905	11,754	448	377	825	12,579
Fundraising	-	-	1,250	1,250	346	1,750	2,096	3,346
Insurance	-	-	-	-	9,991	-	9,991	9,991
Meals	58	177	128	363	215	143	358	721
Mileage and subsistence	3,586	4,550	3,051	11,187	244	-	244	11,431
Miscellaneous	4,786	-	-	4,786	186	-	186	4,972
Office expense	1,870	705	652	3,227	9,473	77	9,550	12,777
Postage	2	-	499	501	573	367	940	1,441
Printing/awareness materials	-	7,000	4,235	11,235	-	2,207	2,207	13,442
Rent	24,028	9,253	-	33,281	6,048	739	6,787	40,068
Repair and maintenance	-	-	-	-	2,470	-	2,470	2,470
Supplies	8,627	6,040	9,253	23,920	1,066	616	1,682	25,602
Supervision	6,518	-	-	6,518	-	-	-	6,518
Special event expense	-	-	2,353	2,353	-	2,353	2,353	4,706
Telephone	99	-	623	722	4,315	-	4,315	5,037
Therapeutic horseback	2,550	-	-	2,550	-	-	-	2,550
Travel	441	265	188	894	130	-	130	1,024
Utilities	-	-	-	-	3,577	-	3,577	3,577
Total	\$ 424,684	\$ 183,324	\$ 140,944	\$ 748,952	\$ 136,180	\$ 34,793	\$ 170,973	\$ 919,925

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, 2019

Cash flows from operating activities:	
Change in net assets	\$ (9,901)
Adjustments to reconcile net assets to net cash provided by (used for) operating activities:	
Depreciation	3,195
(Increase) decrease in assets:	
Accounts receivable	(69,769)
Prepaid expenses	(108)
Increase (decrease) in liabilities:	
Accounts payable	739
Accrued expenses	(1,954)
Compensated absences	<u>(3,261)</u>
Net cash provided by (used for) operating activities	\$ <u>(81,059)</u>
Net increase (decrease) in cash and cash equivalents	\$ (81,059)
Cash and cash equivalents, beginning of year	<u>322,152</u>
Cash and cash equivalents, end of year	\$ <u><u>241,093</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, 2019

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 participants 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.

New Accounting Pronouncement:

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has changed the presentation of its financial statements, accordingly, applying the changes retrospectively to the beginning net assets. The new ASU changes the following aspects of the Organization financial statements:

- The temporarily restricted and permanently restricted net asset classes have been reduced to a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been changed to net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources.
- The financial statements include increased disclosures on functional expenses.

Adoption of the ASU did not result in any reclassifications or restatements to net assets.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2019 (continued)

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

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, 2019, the Organization had net assets without donor restrictions of \$353,828

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, 2019, the Organization had no net assets with donor restrictions.

Grants Receivable:

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, 2019, the Organization did not have any receivables outstanding over 90 days.

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, 2019, \$13,015 of the Organization's cash equivalents were held in investments not covered by FDIC.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2019 (continued)

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 \$3,195 for the year.

NOTE 4 - PREPAID EXPENSES:

Prepaid expenses consists entirely of prepaid rent.

NOTE 5 - SECURITY DEPOSIT:

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

NOTE 6 - 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 7 - 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 8 - 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 \$9,997 were received during the year.

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2019 (continued)

NOTE 9 - 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, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Allocation of expenses such as salaries and wages, education and training, and supplies are allocated based on time, effort, and usage.

NOTE 10 - 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 \$13,148 were made by SARA on behalf of its employees for the year ended June 30, 2019.

NOTE 11 - 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 \$15,575 at June 30, 2019.

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS:

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

State VOCA	\$	413,200
State FACT		5,636
State V-STOP		32,070
State SASP		12,474
State VDH		106,896
State Victim Fund		<u>34,208</u>
Total	\$	<u>604,484</u>

SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements
As of June 30, 2019 (continued)

NOTE 13 - LEASE COMMITMENTS:

On August 1, 2016, the Organization undertook a five-year lease for new office space at a new location. Below are the future lease payments:

<u>Year Ending June 30,</u>		<u>Future Lease Payments</u>
2021	\$	41,281
2022		3,448
Total	\$	<u><u>44,729</u></u>

NOTE 14 - 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	\$	241,093
Grants receivable		119,882
	\$	<u><u>360,975</u></u>

NOTE 15 - DATE OF MANAGEMENT'S REVIEW:

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through May 15, 2020, 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. The effect of the COVID-19 pandemic on the Organization's operations is unknown at this time.