Rape Recovery Center

Financial Statements

And

Independent Auditor's Report

As of June 30, 2018
and for the year then ended
with summarized comparative information for June 30, 2017

Rape Recovery Center

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shaw & co.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rape Recovery Center
Salt Lake City, Utah

Financial Statements

We have audited the accompanying financial statements of Rape Recovery Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 this financial statement 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 statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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 presents fairly, in all material respects, the financial position of Rape Recovery Center as of June 30, 2018, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information

We have previously audited Rape Recovery Center's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Shaw & Co., P.C.

Bountiful, Utah
December 26, 2018

Rape Recovery Center

Statement of Financial Position
June 30, 2018
With Comparative Totals For June 30, 2017

	06/30/2018	06/30/2017
ASSETS		
Current assets		
Cash	$ 111,146	$ 127,082
Accounts receivable, including promises to give	117,723	62,812
Investments in marketable securities	3,879	7,296
Investments in marketable securities, restricted	1,225	2,833
Total current assets	233,973	200,023
Property and equipment, at cost		
Buildings and improvements	348,491	348,491
Land	80,000	80,000
Furniture, fixtures, and equipment	77,400	113,679
Total property and equipment	505,891	542,170
Less: accumulated depreciation	(371,246)	(393,246)
Net property and equipment	134,645	148,924
Total assets	$ 368,618	$ 348,947
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 11,739	$ 8,879
Accrued payroll and benefits	71,806	45,335
Line of credit	88	-
Total current liabilities	83,633	54,214
Total liabilities	83,633	54,214
Net assets		
Unrestricted	173,694	272,802
Temporarily restricted	111,291	21,931
Permanently restricted	-	-
Total net assets	284,985	294,733
Total liabilities and net assets	$ 368,618	$ 348,947

See accompanying notes to financial statements.

Rape Recovery Center

Statement of Activities

Year Ended June 30, 2018

With Comparative Totals For The Year Ended June 30, 2017

	June 30, 2018				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	06/30/2017 Total
REVENUES AND SUPPORT					
Government grants	$ 498,842	$ -	$ -	$ 498,842	$ 468,894
Contributions	240,477	110,066	-	350,543	321,418
In-kind contributions	138,399	-	-	138,399	183,522
Special events	74,309	-	-	74,309	65,246
Client fees	3,887	-	-	3,887	9,734
Interest income	247	-	-	247	353
Investment income	(5,025)	-	-	(5,025)	(1,676)
Net assets released from restrictions	20,706	(20,706)	-	-	-
Total revenues and support	971,842	89,360	-	1,061,202	1,047,491
EXPENSES					
Program services	861,567	-	-	861,567	796,382
Management and general	123,987	-	-	123,987	87,370
Fundraising	85,396	-	-	85,396	64,479
Total expenses	1,070,950	-	-	1,070,950	948,231
Change in net assets	(99,108)	89,360	-	(9,748)	99,260
Net assets, beginning of year	272,802	21,931	-	294,733	195,473
Net assets, end of year	$ 173,694	$ 111,291	$ -	$ 284,985	$ 294,733

See accompanying notes to financial statements.

Rape Recovery Center

Statement of Functional Expenses
Year Ended June 30, 2018
With Comparative Totals For The Year Ended June 30, 2017

	June 30, 2018				
	Program Services	Management and General	Fundraising	Total	06/30/2017 Total
Salaries and wages	$ 542,803	$ 94,185	$ 53,830	$ 690,818	$ 583,608
Payroll taxes	39,689	6,887	3,936	50,512	44,857
Employee benefits	46,442	8,058	4,606	59,106	53,757
Total salaries and related expenses	628,934	109,130	62,372	800,436	682,222
Volunteer services	129,948	-	-	129,948	145,704
Supplies	17,886	552	10,126	28,564	23,315
Telephone	14,629	1,022	1,385	17,036	13,988
Professional fees	4,675	6,301	64	11,040	11,548
Office	9,944	424	575	10,943	6,973
Travel	8,461	591	801	9,853	10,278
Repair and maintenance	8,254	577	782	9,613	3,599
Dues and subscriptions	6,776	473	641	7,890	6,287
Meals and entertainment	1,716	120	5,472	7,308	7,820
Insurance	6,153	879	-	7,032	7,520
Utilities	5,656	395	536	6,587	5,705
Conferences and training	5,812	584	-	6,396	6,800
Bank and merchant fees	-	887	1,387	2,274	658
Interest	1,203	84	114	1,401	3,442
Postage	300	21	28	349	852
Bad debt	-	-	-	-	500
Total expenses before depreciation	850,347	122,040	84,283	1,056,670	937,211
Depreciation and amortization	11,220	1,947	1,113	14,280	11,020
Total expenses	$ 861,567	$ 123,987	$ 85,396	$ 1,070,950	$ 948,231

See accompanying notes to financial statements.

Rape Recovery Center

Statement of Cash Flows
Year Ended June 30, 2018
With Comparative Totals For The Year Ended June 30, 2017

	06/30/2018	06/30/2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (9,748)	$ 99,260
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	14,280	11,020
Bad debt	-	500
Unrealized (gains) losses on investments	5,025	1,676
In-kind contributions of property and equipment	-	(32,575)
Changes in current assets and liabilities:		
Accounts receivable, including promises to give	(54,912)	19,650
Prepaid expenses	-	4,265
Accounts payable	2,861	(804)
Accrued payroll and benefits	26,471	9,848
Net cash (used in) provided by operating activities	(16,023)	112,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash purchases of property and equipment	-	(550)
Net cash used in investing activities	-	(550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	25,302	23,665
Payments on line of credit	(25,215)	(78,411)
Net cash provided by (used in) financing activities	87	(54,746)
Net change in cash	(15,936)	57,544
Cash, beginning of year	127,082	69,538
Cash, end of year	$ 111,146	$ 127,082
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 301	$ 3,442
Cash paid for income taxes	$ -	$ -

See accompanying notes to financial statements.

Rape Recovery Center
Notes to Financial Statements
June 30, 2018

1. ORGANIZATION BASIS OF PRESENTATION

Rape Recovery Center (the "Organization") was incorporated under the laws of the State of Utah as a nonprofit corporation on January 10, 1975. The Rape Recovery Center is committed to providing crisis intervention counseling services to sexual assault victims, their families, and friends; educating the community about the causes, impacts, and prevention of sexual assault; and advocating for comprehensive medical treatment and respectful legal representation on behalf of victims of this violent crime.

Description of Program Services

24-Hour Crisis Line – provides 24-hour assistance, crisis intervention, advocacy and referrals for primary and secondary victim-survivors of sexual assault.

24-Hour Emergency Response Team – provides emotional support and advocacy to primary and secondary victim-survivors within hours of the assault or abuse, and helps victims and their families navigate the medical and crime reporting systems during the initial reporting period and follow-up throughout the criminal justice process. Emergent response is also provided to other non-profit and government agencies to provide assistance to victims outside the reporting period.

In-office and Off-site Counseling – licensed social workers provide individual, family, and partner counseling on a sliding fee schedule to primary and secondary victim-survivors, allowing healing processes to occur in a safe and confidential setting. The Organization offers no-cost therapy to those who qualify or who cannot pay a fee. Clients may schedule appointments during office hours or drop by for immediate assistance on a "walk-in" basis. Off-site counseling is also provided at no cost to victim-survivors unable to reach the RRC office due to incarceration, institutionalization, or physical limitation, such as nursing care facilities, residential treatment centers, jails, prisons, shelters or training centers.

Support Group – licensed social workers facilitate support group sessions to offer victim-survivors a safe atmosphere and a professional process to come to terms with the impact of sexual assault with the added support of other survivors.

Advocacy, Outreach and Education – provide interagency assistance, service coordination and information to individuals, families, schools, community groups, businesses and non-profits with information designed to increase understanding of the impact of sexual violence and reduce the risk of sexual assault.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Date of Management's Review

Subsequent events were evaluated through December 26, 2018 which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

Cash Equivalents

For purposes of the statement of cash flow, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At June 30, 2018, cash in bank deposit accounts did not exceed the FDIC insured limit of $250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

During the year ended June 30, 2018, Agency A contributed 32% of the Organization's total revenue and support. At June 30, 2018, amounts due from Agency A and Donor A represented 40% and 21% of total accounts receivable, including promises to give, respectively. At June 30, 2018, amounts due to Vendor A represented 26% of total accounts payable.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established at June 30, 2018 because management believes that all accounts receivable will be fully collectible.

Promises to Give

Promises to give are recorded at their estimated fair value. Amounts due later than one year, if any, are recorded at the present value of estimated future cash flows. The Organization estimates the allowance based on analysis of specific donors, taking into consideration the age of past due pledges and an assessment of the donor's ability to pay. At June 30, 2018, management of the Organization considers all promises to be collectible; therefore, no allowance has been recorded.

Investments

The Organization has adopted the provisions of FASB ASC 958-320, *Investments—Debt and Equity Securities*. Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Restricted investments consist of investments temporarily restricted for capital improvements.

Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at June 30, 2018, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Property and Equipment

Property and equipment are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed $1,000. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation and amortization is provided on a straight-line basis over the lesser of the estimated useful lives of the respective assets or lease terms, which range from five to twenty years. Depreciation and amortization expense for the year ended June 30, 2018 was $14,280.

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amounts of the assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amounts of the assets against the estimated undiscounted future cash flows associated with them. When future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying amounts of the assets, the assets are adjusted to their fair values.

Compensated Absences

Employees of the Organization are entitled to paid vacation depending on length of service and other factors. Sick leave may be accumulated from year to year, but is not accrued because it does not vest; employees are not paid for any sick leave balance at termination of employment or any other time.

Classes of Net Assets

Revenues and gains are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

a. Unrestricted net assets represent the portion of net assets not subject to donor restrictions.

b. Temporarily restricted net assets arise from contributions that are restricted by the donor for specific purposes or time periods.

c. Permanently restricted net assets arise from contributions that are restricted by the donor in perpetuity.

All contributions are considered available for unrestricted use, unless specifically restricted by the donors. All expenses are reported as changes in unrestricted net assets.

Contributions

Unconditional promises to give are recognized as contributions when received at the net present value of the amounts expected to be collected. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor-imposed time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same year the contribution is received are reported as unrestricted. Capital campaign contributions are considered temporarily restricted until the asset is placed into service.

In-Kind Contributions

In-kind contributions are recorded as support revenue at their estimated fair market value at the date of gift. These contributions are reported as unrestricted support unless the donor has restricted the donation for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as temporarily restricted support and reclassified to unrestricted net assets when placed in service. In-kind contributions received during the year ended June 30, 2018 consisted of specialized services totaling $129,948 and donated supplies totaling $8,451.

In accordance with FASB ASC 958-605-25-16, *Contributed Services*, the Organization recognizes contributed services only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provide by donation. Crisis Line and HRT volunteers have obtained specialized training and certification from the State of Utah. The fair value of Crisis Line and HRT volunteer services during the year ended June 30, 2018 was $129,948.

Program Service Revenue

Program service revenue consists of client fees, which are recognized when services are performed.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2018.

The Organization's Forms 990 for the years ending June 30, 2018, 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed. Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. Management has evaluated the tax positions reflected in the Organization's tax filings and does not believe that any material uncertain tax positions exist.

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.

Estimates in the Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of 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.

Reclassifications

Certain items in the summarized comparative information for June 30, 2017 have been reclassified to conform to the June 30, 2018 presentation.

3. ACCOUNTS RECEIVABLE, INCLUDING PROMISES TO GIVE

Accounts receivable, including promises to give, consisted of the following at June 30, 2018:

Government grants	$ 56,078
Promises to give	40,294
Other receivables	21,351
	$ 117,723

Accounts receivable, including promises to give, are expected to be received in full within a year or less. Therefore, management has determined that there is no allowance necessary.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
Level 2	Inputs to the valuation methodology include • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

The following tables sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2018.

	Assets at Fair Value at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Common stocks	$ 5,104	$ -	$ -	$ 5,104
Totals	$ 5,104	$ -	$ -	$ 5,104

5. LINE OF CREDIT

At June 30, 2018, the Organization had a line of credit through a bank with a maximum limit of $120,000 and an annual interest rate of 1.75% above the prime rate, which was 7%. The line of credit is secured by real property, which consisted of a building and land costing $428,490. At June 30, 2018 there was $88 balance owed on the line of credit.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2018:

Promises to give	$ 40,294
Donor-imposed purpose restrictions	
Direct services	33,107
Hospital response team	19,198
Outreach and prevention	5,070
Expressive arts therapy	12,397
Capital emergencies	1,225
	$ 111,291

7. GOVERNMENT GRANTS

Government grants consisted of the following for the year ended June 30, 2018:

Utah Office for Victims of Crime	$ 328,101
Salt Lake County	42,124
Salt Lake City	70,000
Utah Department of Health	58,617
	$ 498,842

8. CONTRIBUTIONS

Contributions consisted of the following for the year ended June 30, 2018:

Foundations and organizations	$ 229,568
Individuals	59,294
Corporations	61,681
	$ 350,543

9. OPERATING LEASE

The Organization entered into an operating lease agreement for office equipment. The lease expires June 2020 and requires monthly payments of $196. Total future minimum lease payments required under this lease commitment are as follows:

Year ending June 30,	
2019	$ 2,352
2020	2,156
Thereafter	-
	$ 4,508

Office equipment lease expense for the year ended June 30, 2018 was $4,318, which was included in office expense on the statement of functional expenses.

10. COMMITMENTS AND CONTINGENCIES

The Organization participates in various government-assisted grant programs that are subject to review and audit by grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable government regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a government audit may become a liability of the Organization. The ultimate disallowance pertaining to these regulations, if any, is estimated to be immaterial to the overall financial condition of the Organization.

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

11. PRIOR YEAR INFORMATION

The accompanying financial statements include certain prior year (2017) summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. The financial statements for the year ended June 30, 2017 are presented for comparative purposes only. The notes presented herein contain information relating to June 30, 2018 only. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2017 from which the summarized information was derived.