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SEXUAL ABUSE RESPONSE CENTER FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUL 14 1999** _____

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Sexual Abuse Response Center Foundation
Lafayette, Louisiana

We have audited the accompanying Statement of Financial Position of the Sexual Abuse Response Center Foundation (a nonprofit organization) as of December 31, 1998, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The Sexual Abuse Response Center Foundation has included such disclosures in Note E. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, *insufficient audit evidence exists to support the Sexual Abuse Response Center Foundation's disclosures with respect to the year 2000 issue made in Note E.* Further, we do not provide assurance that the Sexual Abuse Response Center Foundation is or will be year 2000 ready, that the Sexual Abuse Response Center Foundation's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Sexual Abuse Response Center Foundation does business will be year 2000 ready.

WMDDH

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sexual Abuse Response Center Foundation, as of December 31, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 1999, on our consideration of the Sexual Abuse Response Center Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Wright, Moore, DeHart,
Dupuis, & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Lafayette, Louisiana

February 16, 1999

SEXUAL ABUSE RESPONSE CENTER FOUNDATION

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1998**

ASSETS

CURRENT ASSETS

Cash	\$16,930
Grant Funds Receivable	23,750
Supplies Inventory	<u>1,375</u>

Total Current Assets \$42,055

PROPERTY AND EQUIPMENT

Equipment	26,070
Less: Accumulated Depreciation	<u>(7,904)</u>

Net Property and Equipment 18,166

OTHER ASSETS

Deposits	<u>1,100</u>
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TOTAL ASSETS \$61,321

LIABILITIES AND NET ASSETS

OTHER LIABILITIES

Accrued Compensated Absences	\$ <u>3,222</u>
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TOTAL LIABILITIES 3,222

NET ASSETS

Unrestricted	<u>58,099</u>
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**TOTAL LIABILITIES
AND NET ASSETS** \$61,321

The Notes to the Financial Statements are an
Integral Part of this Statement

SEXUAL ABUSE RESPONSE CENTER FOUNDATION

STATEMENT OF ACTIVITIES

DECEMBER 31, 1998

CHANGES IN UNRESTRICTED NET ASSETS

SUPPORT

Annual Project	\$ 8,400	
Donations	9,275	
Fundraisers	1,007	
Miscellaneous	128	
United Way	42,257	
In-Kind Donations		
Lafayette Consolidated Government	14,713	
University Medical Center	<u>17,871</u>	
Total Support		\$ 93,651
Total Net Assets Released From Restrictions		<u>185,603</u>
Total Unrestricted Support		279,254

EXPENSES

Program Services		
Sexual Trauma Services	132,360	
Supporting Services		
Management and General	<u>118,788</u>	
Total Expenses		<u>251,148</u>
Increase in Unrestricted Net Assets		<u>28,106</u>

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS

SUPPORT

Children's Trust Fund	3,343	
VAWA Grant	50,822	
Preventative Health Block Grant	52,121	
Crime Victims Association Grant	<u>79,317</u>	
Total Support		185,603
Net Assets Released From Donor Restrictions		<u>(185,603)</u>
Change in Temporarily Restricted Net Assets		<u>-</u>

INCREASE IN NET ASSETS (CARRIED FORWARD)

\$ 28,106

The Notes to the Financial Statements are an
Integral Part of this Statement

SEXUAL ABUSE RESPONSE CENTER FOUNDATION

**STATEMENT OF ACTIVITIES - continued
DECEMBER 31, 1998**

INCREASE IN NET ASSETS (BROUGHT FORWARD)	\$28,106
NET ASSETS AT BEGINNING OF YEAR	<u>29,993</u>
NET ASSETS AT END OF YEAR	<u><u>\$58,099</u></u>

The Notes to the Financial Statements are an
Integral Part of this Statement

SEXUAL ABUSE RESPONSE CENTER FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

DECEMBER 31, 1998

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u> <u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL</u>
Compensation and Related Expenses				
Salaries	\$ 83,434	\$ 85,430	\$ -	\$168,864
Employee Benefits				
Group Insurance	1,577	4,058	-	5,635
Payroll Taxes	6,396	2,917	-	9,313
Compensated Absences	<u>980</u>	<u>1,251</u>	<u>-</u>	<u>2,231</u>
	92,387	93,656	-	186,043
Annual Project	870	-	-	870
Children's Trust Fund	3,343	-	-	3,343
Depreciation	-	3,667	-	3,667
Dues and Fees	-	355	-	355
Education & Professional Development	7,883	-	-	7,883
Foundation	195	-	-	195
Insurance	-	2,640	-	2,640
Janitorial	-	2,080	-	2,080
Legal and Accounting	-	2,000	-	2,000
Meetings and Receptions	-	424	-	424
Office Expenses	-	13,966	-	13,966
Public Relations	361	-	-	361
Rent	13,800	-	-	13,800
Telephone	6,235	-	-	6,235
Travel	6,090	-	-	6,090
Utilities	<u>1,196</u>	<u>-</u>	<u>-</u>	<u>1,196</u>
Totals	<u>\$132,360</u>	<u>\$118,788</u>	<u>\$ -</u>	<u>\$251,148</u>

The Notes to the Financial Statements are an
Integral Part of this Statement

SEXUAL ABUSE RESPONSE CENTER FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets		\$ 28,106
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	\$ 3,667	
Changes in Operating Assets		
Accounts Receivable	8,302	
Accounts Payable	(8,679)	
Accrued Compensated Absences	2,231	
Inventory Adjustment	<u>(95)</u>	
Total Adjustments		<u>5,426</u>
Net Cash From Operating Activities		33,532
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Paid to Extinguish Debt		(6,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Equipment		<u>(11,983)</u>
NET INCREASE IN CASH		15,549
CASH, BEGINNING OF YEAR		<u>1,381</u>
CASH, END OF YEAR		<u>\$ 16,930</u>

The Notes to the Financial Statements are an
Integral Part of this Statement

SEXUAL ABUSE RESPONSE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1998

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - Sexual Abuse Response Center Foundation (SARC) is a non-profit organization that is dedicated to providing help and healing for survivors of sexual trauma and violent crime. SARC is the only organization that provides the psychological treatment for victims of sexual abuse and assault in an eight parish region. Staff and volunteers maintain a 24-hour crisis line and provide escort services to the area hospitals.

Financial Statement Presentation - SARC follows Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations," with regard to its financial statement presentation. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions - SARC records its public support in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Income Taxes - SARC is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Donor-Restricted Funds - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

Inventories - Inventory amounts consist of rape kits and supplies. Inventories are stated at the lower of cost or market.

Property and Equipment - Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose.

Depreciation is computed using the straight-line method over the assets' useful lives.

SEXUAL ABUSE RESPONSE CENTER FOUNDATION

**NOTES TO FINANCIAL STATEMENTS - continued
DECEMBER 31, 1998**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Services - The organization recognizes donated services that (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 provided by donation.

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 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.

(B) IN-KIND DONATIONS

In-kind donations included in the financial statements consisted of salaries provided by the Lafayette Consolidated Government and the University Medical Center of Lafayette, Louisiana in the amount of \$14,713 and \$17,871, respectively.

(C) GRANT FUNDS RECEIVABLE

Grant funds receivable at December 31, 1998, consisted of the following:

Childrens' Trust Fund	\$ 2,782
VAWA Grant	3,887
CVA Grant	15,874
Preventative Health Block Grant	<u>1,207</u>
Total	<u>\$23,750</u>

(D) ACCRUED COMPENSATED ABSENCES

Sick and vacation time are reported as a single compensated absence. Ten hours are accrued per month for all full-time employees, (employees working 30 hours or more per week), up to a maximum of 80 hours. Any unused accrued balance is paid out upon leaving employment.

SEXUAL ABUSE RESPONSE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS - continued
DECEMBER 31, 1998

(E) YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the SARC's operations as early as fiscal year 1999.

SARC has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting daily operations. Based on this inventory, the Organization is in the remediation stage for the financial reporting systems as of December 31, 1998. Testing and validation of the systems will need to be completed to determine the compliance of the hardware and software currently in use.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the SARC is or will be Year 2000 ready, that the Organization's remediation efforts will be successful in whole or in part, or that parties with whom the Organization does business will be year 2000 ready.

(F) SUBSEQUENT EVENTS

The Organization has entered into negotiations with another 501(c)(3) organization to achieve a merger of the two entities. As of the date of this report, the negotiations were ongoing.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Sexual Abuse Response Center Foundation
Lafayette, Louisiana

We have audited the financial statements of the Sexual Abuse Response Center Foundation as of and for the year ended December 31, 1998, and have issued our report thereon dated February 16, 1999. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide.

Compliance

As part of obtaining reasonable assurance about whether the Sexual Abuse Response Center Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sexual Abuse Response Center Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

WMDDH

This report is intended for the information of the management and Board of Directors of the Sexual Abuse Response Center Foundation and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,
Dupuis, & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON
Certified Public Accountants

February 16, 1999