

**SEXUAL TRAUMA AWARENESS
AND RESPONSE CENTER**

BATON ROUGE, LOUISIANA

JUNE 30, 2018

L.A. CHAMPAGNE 
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Sexual Trauma Awareness and Response Center

Report on Financial Statements

We have audited the accompanying financial statements of Sexual Trauma Awareness and Response 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 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 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 Trauma Awareness and Response Center as of June 30, 2018, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The schedule of compensation, benefits, and other payments to Agency heads on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 14, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2018, on our consideration of Sexual Trauma Awareness and Response Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sexual Trauma Awareness and Response Center's internal control over financial reporting and compliance.

L.A. Champagne & Co, LLP

*Baton Rouge, Louisiana
December 31, 2018*

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
STATEMENT OF FINANCIAL POSITION

June 30, 2018

ASSETS

CURRENT ASSETS

Cash	\$ 178,446
Federal grants receivable	311,037
Total current assets	<u>489,483</u>

PROPERTY AND EQUIPMENT

Property and Equipment, net of depreciation	77,742
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OTHER ASSETS

Deposits	<u>17,706</u>
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Total assets	<u><u>\$ 584,931</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Other accrued expenses	\$ 3,369
Accrued salaries and payroll taxes	57,422
Accrued compensated absences	24,378
Total current liabilities	<u>85,169</u>

NET ASSETS

Unrestricted	339,455
Temporarily restricted	160,307
Total net assets	<u>499,762</u>

Total liabilities and net assets	<u><u>\$ 584,931</u></u>
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See notes to financial statements.

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions	\$ 48,455	\$ 455,550	\$ 504,005
Federal contracts and grants	1,094,961	-	1,094,961
Local and state governmental grants and support	275,000	-	275,000
Fundraising	108,525	-	108,525
In-kind contributions	268,584	-	268,584
Program service revenue	3,969	-	3,969
Other income	3,552	-	3,552
Net assets released from restrictions	356,995	(356,995)	-
TOTAL SUPPORT AND REVENUE	2,160,041	98,555	2,258,596
EXPENSES			
Program services:			
Advocacy	878,655	-	878,655
Counseling	475,439	-	475,439
Legal	278,617	-	278,617
Social Change	238,398	-	238,398
	<u>1,871,109</u>	<u>-</u>	<u>1,871,109</u>
Supporting services:			
Fundraising	148,234	-	148,234
Management and general	136,240	-	136,240
	<u>284,474</u>	<u>-</u>	<u>284,474</u>
TOTAL EXPENSES	2,155,583	-	2,155,583
INCREASE IN NET ASSETS	4,458	98,555	103,013
Net assets - beginning of year	<u>334,997</u>	<u>61,752</u>	<u>396,749</u>
Net assets - end of year	<u>\$ 339,455</u>	<u>\$ 160,307</u>	<u>\$ 499,762</u>

See notes to financial statements.

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
STATEMENT OF CASH FLOWS
Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	<u>\$ 103,013</u>
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	21,263
Decrease in receivables	51,212
Decrease in prepaid expenses	500
Increase in other accrued expenses	2,474
Increase in accrued salaries and payroll taxes	4,630
Increase in accrued compensated absences	<u>4,378</u>
Total adjustments	<u>84,457</u>
Net cash provided by operating activities	<u>187,470</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Deposits paid, net	(4,456)
Acquisition of equipment	<u>(12,128)</u>
Net cash used in investing activities	<u>(16,584)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

	<u>-</u>
NET INCREASE IN CASH	170,886
Cash - beginning of year	7,560
Cash - end of year	<u><u>\$ 178,446</u></u>

See notes to financial statements.

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2018

	Advocacy	Counseling	Legal	Social Change	Fundraising	Management and General	Total
Salaries & payroll taxes	\$ 454,747	\$ 361,272	\$ 197,788	\$ 161,884	\$ 81,436	\$ 47,973	\$ 1,305,100
Employee benefits	30,305	25,539	16,318	9,965	5,050	14,980	102,157
Occupancy expenses	53,005	48,878	24,597	45,406	13,184	15,498	200,568
Insurance	-	-	10,852	-	-	16,483	27,335
Equipment	1,348	1,011	3,091	445	246	3,281	9,422
Supplies and materials	5,815	5,702	2,534	2,477	1,041	613	18,182
Printing, copying, and mailing	3,213	2,601	1,400	1,143	575	339	9,271
Phone and internet	6,497	3,909	2,104	1,719	864	509	15,602
Conferences and travel	14,818	6,252	4,197	4,103	2,486	12,077	43,933
Marketing and advertising	-	-	-	-	7,464	-	7,464
Memberships and affiliations	775	-	1,370	731	2,761	1,710	7,347
Training and meetings hosted	8,780	9,187	2,552	836	444	4,462	26,261
Contract services	2,874	2,108	5,783	1,346	553	15,467	28,131
Special events	-	-	-	-	25,081	-	25,081
Financial assistance	22,786	-	-	-	-	-	22,786
Relocation expenses	4,117	3,798	1,912	3,529	1,025	1,204	15,585
Other	-	-	1,511	-	-	-	1,511
Depreciation	5,617	5,182	2,608	4,814	1,398	1,644	21,263
In-kind	263,958	-	-	-	4,626	-	268,584
	<u>\$ 878,655</u>	<u>\$ 475,439</u>	<u>\$ 278,617</u>	<u>\$ 238,398</u>	<u>\$ 148,234</u>	<u>\$ 136,240</u>	<u>\$ 2,155,583</u>

See notes to financial statements.

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
NOTES TO FINANCIAL STATEMENTS

June 30, 2018

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Sexual Trauma Awareness and Response Center (STAR) is a community wide, non-profit agency exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. STAR was incorporated on October 18, 2011 with the purpose of continuing the efforts of its predecessor, the Rape Crisis Center, which was a division of the District Attorney of the 19th Judicial District. STAR's mission is to support survivors of sexual trauma, improve systems response, and create social change to end sexual violence. STAR currently provides services to the Central, Capital, and Greater New Orleans Regions of South Louisiana.

Basis of accounting

STAR prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when goods or services are received and the obligation for payment is incurred.

Basis of presentation

Financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under those standards, STAR is required to report information regarding its financial position and activities under three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed use or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the STAR pursuant to those stipulations. Permanently restricted net assets are those resources whose use by STAR is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of STAR. STAR does not have any permanently restricted net assets as of June 30, 2018.

Contributions and grants

Contributions and grants are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence or nature of any donor restrictions. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Advertising and Marketing Costs

STAR expenses advertising and marketing costs when incurred.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

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 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.

Cash and cash equivalents

For purposes of the statement of cash flows, STAR considers all unrestricted highly liquid investments with maturities of three months or less when acquired to be cash equivalents.

Prepaid expenses

Insurance and similar services which extend benefits over more than one accounting period have been recorded as prepaid expenses.

Property and equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment is stated at cost less accumulated depreciation with depreciation being calculated on the straight-line basis over the estimated useful life of the assets as follows:

Leasehold improvements	20 years
Furniture and equipment	3-5 years
Machinery and equipment	5 years

When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation, and any resulting gain or loss is reflected in operations.

Donated services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by STAR. These services are recorded, based on the fair value of the services provided, as in-kind contributions on the Statement of Activities and the Statement of Functional Expenses. Volunteer services are not recognized in the financial statements when the recognition criteria are not met.

Donated equipment

Donations of property and equipment are recorded as contributions at the fair market value on the date received. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, STAR reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. STAR reclassifies temporarily restricted net assets at that time.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

STAR accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, STAR may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by tax authorities. STAR has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Compensated absences

STAR allows employees to accrue unused annual leave subject to specified limits on the number of hours. Upon termination or resignation, the outstanding balance of unused leave is paid to the employee. An accrual of annual leave has been recorded in the accompanying financial statements.

Receivables and bad debts

Management believes that all receivables are collectible in full, and therefore, no allowance for bad debts has been provided in the financial statements.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs are charged specifically to a program or function and the remaining costs are allocated among programs, administrative and fund raising based upon estimates of staff time devoted to these functions.

Description of programs

The following is a description of STAR's programs:

Advocacy – STAR's advocacy services include 24/7 hotline support, hospital advocacy, criminal justice accompaniment, and crisis intervention services, which are provided to sexual trauma survivors in the aftermath of a sexual assault. These services drastically reduce survivors' experiences of trauma and give survivors the support that is needed to move forward with the daunting criminal justice process.

Counseling – STAR provides individual and group therapy to survivors aged 12 and older at no cost to help survivors move past the trauma of sexual assault.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Legal – STAR provides free legal services to survivors in need of assistance in the areas of education, employment, family law, housing, immigration, privacy, public benefits, victim rights, and safety.

Social Change – STAR also works to create social change to drastically reduce the epidemic of sexual trauma by raising awareness, providing education, building skills within the community to effectively prevent and intervene in sexual violence, and examining the root causes of sexual violence.

B: CONCENTRATION OF REVENUE

STAR receives a significant portion of its funds provided through government grants and contracts. Thus, its funding is vulnerable to changes in the legislative priorities of federal, state, and local governments. Significant among those are the following, reflecting their percent of total revenues provided during the year ended June 30, 2018:

District Attorney for the 19 th Judicial District	9%
U.S. Department of Justice	45%

C: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at cost, less accumulated depreciation as of June 30, 2018:

Leasehold improvements	\$ 33,035
Furniture and equipment	23,961
Machinery and equipment	92,253
	<hr/>
	149,249
Less accumulated depreciation	(71,507)
	<hr/>
	\$ 77,742
	<hr/>

Depreciation expense was \$21,263 for the year ended June 30, 2018.

D: CONCENTRATION OF CREDIT RISK

STAR maintains deposits in a local financial institution with balances at times that may exceed the \$250,000 of insurance provided by the National Credit Union Insurance Fund. Management has placed these funds in a high-quality institution in order to minimize the risk.

E: RELATED PARTY TRANSACTIONS

STAR has entered into cooperative endeavor agreements with local governmental agencies which provided support totaling \$275,000. Each governmental agency has a representative on the Board of Directors. The funds provided through these agreements are unrestricted.

F: LEASE COMMITMENTS

STAR leases office space in Baton Rouge, Alexandria, New Roads, and New Orleans, Louisiana under agreements that are classified as operating leases. The Baton Rouge office lease provides for monthly rent of \$9,956 and expires November 30, 2022. The Alexandria office lease is month-to-month and provides for monthly rent of \$900. The New Roads office lease is month-to-month and provides for monthly rent and utilities of \$600. The New Orleans office is month-to-month and provides for monthly rent of \$6,000 per month.

The lease expense under these agreements was \$187,192 for the year ended June 30, 2018.

The future minimum lease payments required under the operating leases are as follows:

Years Ending June 30,	
2019	\$ 119,472
2020	119,472
2021	119,472
2022	119,472
2023	49,780
	<u>\$ 527,668</u>

G: CONTINGENCIES

During the year ended June 30, 2018, STAR received \$1,094,961 in federal awards. Amounts received under these programs are subject to audit by the grantors and funding in excess of allowable costs, if any, may have to be returned to the grantor. Management is of the opinion that no material liability will result from such audits, if any, that may be conducted.

H: NON-CASH INVESTING AND FINANCING ACTIVITIES

There were no non-cash investing and financing activities during the year ended June 30, 2018.

I: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of funds designated by donors or grantors for specific purposes or programs. As of June 30, 2018, amounts restricted to use for specific programmatic areas was as follows:

Greater New Orleans operations	\$ 146,090
Advocacy	500
Social change	1,307
Counseling	12,410
	<u>\$ 160,307</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of restrictions specified by donors as follows for the year ended June 30, 2018:

Purpose restriction accomplished:	
Greater New Orleans operations	\$ 234,953
Advocacy	55,899
Counseling	54,747
Social change	3,694
Administration	7,702
Total restrictions released	<u>\$ 356,995</u>

J: SUBSEQUENT EVENTS

Subsequent events were evaluated through December 31, 2018 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
Year Ended June 30, 2018

Racheal Hebert
President & CEO

	Amount
Salary	\$ 83,688
Benefits - payroll taxes	6,280
Reimbursements	582
	\$ 90,550

Note - Additional payments to the agency head for compensation, benefits, and other payments were made from private funds.

See independent auditor's report.

**SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year ended June 30, 2018

FEDERAL GRANTOR GRANTORS/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANTOR CONTRACTOR NUMBER	TOTAL FEDERAL EXPENDITURES
<u>U.S. Department of Justice</u>			
Legal Assistance for Victims Grant Program	16.524	2014-WL-AX-0061 2017-WL-AX-0045	\$ 106,989 145,992
Improving Criminal Justice Responses to Sexual Assault, Domestic Violence, Dating Violence, and Stalking	16.590	2017-WL-AX-0036	102,512
Passed through the Louisiana Department of Justice:			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2014-WE-AX-0030	91,467
Passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Sexual Assault Services Program	16.017	3536	62,237
Services, Training, Officers, Prosecutors Violence Against Women Formula Grant Program	16.588	3608	38,895
Crime Victim Assistance Program	16.575	2016-VA-01-4065 2016-VA-01-3831 2016-VA-01-3899 2016-VA-01-3811	157,789 164,033 53,066 90,483 <hr/> 465,371
Passed through the District Attorney of the 19th Judicial District:			
Crime Victim Assistance Program	16.575	2797	13,200
Passed through the City of New Orleans:			
Sexual Assault Kit Initiative	16.833	2015-AK-BX-K013	17,022
<u>U.S. Department of Health and Human Services</u>			
Passed through the Louisiana Foundation Against Sexual Assault:			
Rape Prevention and Education Program	93.136	N/A	51,276
			<hr/> \$ 1,094,961 <hr/>

Note A: The schedule above is prepared using the accrual basis of accounting. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Par 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, the amounts presented on the schedule may differ from amounts presented in the basic financial statements.

Robert L. Stamey, CPA
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
Sexual Trauma Awareness and Response Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sexual Trauma Awareness and Response 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, and have issued our report thereon dated December 31, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sexual Trauma Awareness and Response Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sexual Trauma Awareness and Response Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sexual Trauma Awareness and Response Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sexual Trauma Awareness and Response Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sexual Trauma Awareness and Response Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

L.A. Champagne & Co, LLP

*Baton Rouge, Louisiana
December 31, 2018*

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

The Board of Directors
Sexual Trauma Awareness and Response Center

Report on Compliance for Each Major Federal Program

We have audited Sexual Trauma Awareness and Response Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sexual Trauma Awareness and Response Center's major federal programs for the year ended June 30, 2018. Sexual Trauma Awareness and Response Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sexual Trauma Awareness and Response Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sexual Trauma Awareness and Response Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Sexual Trauma Awareness and Response Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Sexual Trauma Awareness and Response Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Sexual Trauma Awareness and Response Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Sexual Trauma Awareness and Response Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sexual Trauma Awareness and Response Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

L.A. Champagne & Co, LLC

*Baton Rouge, Louisiana
December 31, 2018*

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
SUMMARY OF AUDIT RESULTS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

A: SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Sexual Trauma Awareness and Response Center.
2. No significant deficiencies in internal controls relating to the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*."
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies in internal controls over compliance with requirements applicable to major federal award programs are reported in the "Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance."
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR Section 200.516(a).
7. A management letter was not issued.
8. The programs tested as major programs are as follows:

U.S. Department of Justice
CFDA 16.575 – Crime Victim Assistance Program
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. STAR was determined to not be a low-risk auditee.

B: FINDINGS – FINANCIAL STATEMENTS AUDIT

There were no findings that are required to be reported in this section of the report.

C: SUMMARY OF PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

There are no findings that are required to be reported in this section of the report.

**SEXUAL TRAUMA AWARENESS
AND RESPONSE CENTER**

STATEWIDE AGREED UPON PROCEDURES

JUNE 30, 2018

L.A. CHAMPAGNE  **& Co.
LLP**

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Sexual Trauma Awareness and Response Center

We have performed the procedures enumerated below, which were agreed to by Sexual Trauma Awareness and Response Center (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget:

Written policies and procedures were obtained and do address the functions noted above.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and do address functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving:

Written policies and procedures were obtained and do address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits:

Written policies and procedures were obtained and do address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and do address functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process:

Written policies and procedures were obtained and do address functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage:

Written policies and procedures were obtained and do address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained and do address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Ethics requirements are not applicable to nonprofits.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Debt service requirements are not applicable to nonprofits.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained a listing of client bank accounts from management and management provided representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Bank reconciliations were prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

There was evidence of management's review of the bank reconciliation tested.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

N/A - There were no outstanding items in excess of 12 months as of the statement closing date.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management provided a listing of deposit sites and representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Management provided a listing of collection locations and representation that the listing is complete. Randomly selected one collection location, noting that employees responsible for cash collections do not share a cash register.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Management provided a listing of collection locations and representation that the listing is complete. Randomly selected one collection location, noting that employees responsible for collecting cash are not responsible for preparing bank deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Management provided a listing of collection locations and representation that the listing is complete. Randomly selected one collection location, noting that employees responsible for collecting cash are not responsible for posting collections to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Management provided a listing of collection locations and representation that the listing is complete. Randomly selected one collection location, noting that employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Employees who have access to cash are covered by an insurance policy for theft.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Obtained supporting documentation for selected deposits and no exceptions were noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Obtained supporting documentation for selected deposits and no exceptions were noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Obtained supporting documentation for selected deposits and traced documentation to the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Obtained supporting documentation for selected deposits and noted that deposits were made within one business day of receipt.

- e) Trace the actual deposit per the bank statement to the general ledger.

Obtained supporting documentation for selected deposits and traced documentation to the general ledger.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management provided a list of all active credit cards for the fiscal period and representation that the list was complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Obtained monthly statements and supporting documentation for selected cards and noted that the monthly statement and supporting documentation was reviewed and approved by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Obtained monthly statements and supporting documentation for selected cards and noted that there were no late fees or finance charges assessed.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Randomly selected 10 transactions from the monthly statements selected under step 12 and noted that all credit card transactions were supported by an original itemized receipt except for two transactions.

Management's response: We have adopted a policy that requires original itemized receipts to be attached to all credit card statements prior to processing payment.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

L.A. Champagne & Co., LLP

*Baton Rouge, LA
December 31, 2018*