

**SEXUAL TRAUMA AWARENESS  
AND RESPONSE CENTER**

**BATON ROUGE, LOUISIANA**

**JUNE 30, 2023**



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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Sexual Trauma Awareness and Response Center

### Report on Financial Statements

#### *Opinion*

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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sexual Trauma Awareness and Response Center as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sexual Trauma Awareness and Response Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sexual Trauma Awareness and Response Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sexual Trauma Awareness and Response Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sexual Trauma Awareness and Response Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency heads 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, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2023, 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 solely 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 the effectiveness of Sexual Trauma Awareness and Response Center's 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.

*J. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana*

*December 21, 2023*

**SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER**  
**STATEMENT OF FINANCIAL POSITION**

*June 30, 2023*

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 1,111,917
Federal grants receivable	214,384
Other receivables	741,830
Prepaid expenses	32,579
Total current assets	2,100,710

**PROPERTY AND EQUIPMENT**

Property and equipment, net of depreciation	84,220
Operating lease right-of-use asset, net	300,618
Total property and equipment	384,838

**OTHER ASSETS**

Deposits	19,306
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Total assets	\$ 2,504,854
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 261
Accrued salaries and payroll taxes	51,290
Accrued compensated absences	19,161
Operating lease liability	108,747
Total current liabilities	179,459

**LONG-TERM LIABILITIES**

Operating lease liability, net of current portion	191,871
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**NET ASSETS**

Without donor restrictions	1,556,632
With donor restrictions	576,892
Total net assets	2,133,524

Total liabilities and net assets	\$ 2,504,854
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*See notes to financial statements*

**SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER**  
**STATEMENT OF ACTIVITIES**  
*Year Ended June 30, 2023*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 126,448	\$ 601,000	\$ 727,448
Federal contracts and grants	1,200,841	-	1,200,841
Local and state governmental grants	107,914	-	107,914
Fundraising	19,052	-	19,052
Program service revenue	76,944	-	76,944
Interest income	5,863	-	5,863
Other income	709,799	-	709,799
Net assets released from restrictions	474,097	(474,097)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>2,720,958</u>	<u>126,903</u>	<u>2,847,861</u>
<b>EXPENSES</b>			
Program services:			
Advocacy	706,851	-	706,851
Counseling	558,469	-	558,469
Legal	330,097	-	330,097
Social Change	340,174	-	340,174
	<u>1,935,591</u>	<u>-</u>	<u>1,935,591</u>
Supporting services:			
Fundraising	55,013	-	55,013
Management and general	229,862	-	229,862
	<u>284,875</u>	<u>-</u>	<u>284,875</u>
<b>TOTAL EXPENSES</b>	<u>2,220,466</u>	<u>-</u>	<u>2,220,466</u>
<b>INCREASE IN NET ASSETS</b>	<u>500,492</u>	<u>126,903</u>	<u>627,395</u>
Net assets - beginning of year	<u>1,056,140</u>	<u>449,989</u>	<u>1,506,129</u>
Net assets - end of year	<u>\$ 1,556,632</u>	<u>\$ 576,892</u>	<u>\$ 2,133,524</u>

*See notes to financial statements.*

**SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER**  
**STATEMENT OF CASH FLOWS**  
*Year Ended June 30, 2023*

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	\$ 627,395
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation	29,308
Increase in receivables	(281,978)
Increase in prepaid expenses	(1,245)
Decrease in accrued salaries and payroll taxes	(13,441)
Decrease in accrued compensated absences	(9,346)
Net cash provided by operating activities	<u>350,693</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Acquisition of equipment	<u>(6,595)</u>
Net cash used in investing activities	<u>(6,595)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
	<u>-</u>
 <b>NET INCREASE IN CASH</b>	
	344,098
Cash - beginning of year	<u>767,819</u>
Cash - end of year	<u><u>\$ 1,111,917</u></u>

*See notes to financial statements.*

**SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*Year Ended June 30, 2023*

	Advocacy	Counseling	Legal	Social Change	Fundraising	Management and General	Total
Salaries & payroll taxes	\$ 540,938	\$ 407,186	\$ 240,948	\$ 266,938	\$ 26,326	\$ 43,189	\$ 1,525,525
Employee benefits	29,951	39,030	19,709	9,931	332	17,556	116,509
Occupancy expenses	64,700	55,850	37,732	42,491	15,221	20,727	236,721
Insurance	-	-	9,832	-	-	26,881	36,713
Equipment	797	610	353	400	40	1,960	4,160
Supplies and materials	2,539	17,409	1,125	1,275	128	208	22,684
Printing, copying, and mailing	2,132	1,632	945	1,071	107	175	6,062
Phone and internet	5,373	2,831	1,639	1,857	186	303	12,189
Conferences and travel	4,874	3,028	2,505	1,080	-	3,522	15,009
Marketing and advertising	-	-	-	879	207	-	1,086
Memberships and affiliations	384	-	870	-	-	527	1,781
Training and meetings hosted	5,060	2,654	1,619	3,704	172	466	13,675
Contract services	10,065	21,324	8,149	5,287	469	111,781	157,075
Special events	-	-	-	-	9,941	-	9,941
Financial assistance	32,028	-	-	-	-	-	32,028
Depreciation	8,010	6,915	4,671	5,261	1,884	2,567	29,308
	<u>\$ 706,851</u>	<u>\$ 558,469</u>	<u>\$ 330,097</u>	<u>\$ 340,174</u>	<u>\$ 55,013</u>	<u>\$ 229,862</u>	<u>\$ 2,220,466</u>

*See notes to financial statements*

**SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**

*June 30, 2023*

**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 August 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 19<sup>th</sup> 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 recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). STAR reports information regarding its financial position and activities according to two classes of net assets as follows:

*Net assets without donor restrictions* - resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of STAR, the environment in which it operates, the purposes specified in its corporate documents and application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* - resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Revenue recognition*

STAR utilizes the guidance in the FASB ASC in the assessment of whether revenue is an exchange transaction or contribution and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Contributions and grants are recorded as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Contributions and grants with donor restrictions that are both received and satisfied within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

STAR receives grant funding from federal agencies, state and local governments, and private sources. Excess expenses incurred are non-reimbursable to STAR. Advance payments from grantors are recorded as refundable advances until expensed for their intended purpose.

STAR recognizes revenue from customers when it transfers promised goods or services to its customers in an amount that reflects the consideration to which STAR expects to be entitled in exchange for those goods and services. To accomplish this, STAR applies the following five-step process to achieve this core principle:

- Identification of the contract with the customer;
- Identification of the performance obligations of the contract;
- Determination of the transaction price,
- Allocation of the transaction price to the identified performance obligations; and
- Recognition of revenue when (or as) an entity satisfies the identified performance obligations.

STAR receives program revenue for consulting services and professional training. Revenue for these services are recognized when the services occur.

*Revenue disaggregation*

STAR disaggregates revenue from contracts with customers into major revenue streams and based on the timing of recognized revenue. STAR's revenue disaggregated based on timing of the transfer of goods or services as follows for the year ended June 30, 2023:

Recognized at a point in time:	
Program service revenue	\$ 76,944

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Contract Balances*

Contract assets represent STAR's right to consideration in exchange for goods or services that have been transferred to the customer before payment is due. Contract liabilities include consideration due or paid by a customer prior to when STAR transfers goods or services and represents STAR's obligation to the customers. Included in other receivables on the statement of financial position as of June 30, 2023, is \$37,625 of accounts receivable from contracts.

*Payment terms*

The majority of STAR's program revenue is billed after the performance obligations transpire.

*Determination of the transaction price*

The transaction price of a contract is the amount of consideration to which STAR expects to be entitled in exchange for transferring promised goods or services to a customer. Transaction prices do not include amounts collected on behalf of third parties. To determine the contract price of a contract, STAR considers its customary business practices as well as the terms of the contract. For the purpose of determining transaction prices, STAR assumes that the services will be transferred to the customer as promised in accordance with existing contracts and that contracts will not be cancelled, renewed, or modified. Most of the STAR's contracts with customers have fixed transaction prices that are denominated in U.S. dollars and payable in cash.

In most cases, consideration paid for consulting services and professional training is refundable prior to the date of the event or service. Therefore, at the time the revenue is recognized, STAR does not estimate expected refunds for services nor does STAR exclude any such amounts from revenue.

*Advertising and Marketing Costs*

STAR expenses advertising and marketing costs when incurred.

*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.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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.

*Property and equipment*

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are 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.

*Contributed nonfinancial assets*

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 restricted net assets at that time.

*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.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

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.

*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 provides survivor-centered comprehensive case management, 24/7 hotline support, hospital accompaniment, legal system accompaniment, crisis intervention, and financial assistance to survivors of sexual violence and their loved ones in the aftermath of sexual assault. These services are provided in an effort to drastically reduce survivors' experiences of trauma and give survivors the support that is needed to move forward with healing.

*Counseling* – STAR provides trauma-focused individual and group therapy to survivors of sexual violence and their loved ones at no cost by licensed and highly trained mental health professionals.

*Legal* – STAR provides trauma-informed, survivor-centered comprehensive legal services at no cost to primary survivors of sexual assault with the purpose of obtaining safety, stability, and justice as it is defined by the survivor.

*Social Change* – To reduce the prevalence of sexual trauma and address the root causes of sexual violence, STAR also commits to fostering social change by raising awareness through outreach and research, providing prevention education, and empowering communities to develop unique prevention and intervention strategies tailored to their needs.

*New Accounting Pronouncement*

As of July 1, 2022, STAR adopted FASB ASU 2016-02, Leases (Topic 842). The ASU requires lessees to recognize a right-of-use asset and related liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of activities.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

STAR elected to adopt the ASU using the modified retrospective method as of July 1, 2022, and applied the following expedients:

- STAR did not reassess if expired or existing contracts are or contain a lease.
- STAR did not reassess the lease classification for expired or existing leases.
- STAR did not reassess initial direct costs for any existing leases.

There was no impact on the beginning net assets as a result of adopting ASU 2016-02.

**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, 2023:

U.S. Department of Justice (direct and pass through)	40%
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STAR also receives a significant portion of its funds through donations from private foundations. For the year ended June 30, 2023, contributions from one private foundation accounted for 12% of the total support and revenues.

**C: PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment at cost, less accumulated depreciation as of June 30, 2023:

Leasehold improvements	\$ 33,035
Furniture and equipment	34,125
Machinery and equipment	214,342
Website and software	18,360
	<hr/>
	299,862
Accumulated depreciation	(215,642)
	<hr/>
	\$ 84,220
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Depreciation expense was \$29,308 for the year ended June 30, 2023.

**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 Federal Deposit Insurance Corporation. Management has placed these funds in a high-quality institution in order to minimize the risk. At June 30, 2023, STAR's cash balances exceeded insured limits by \$870,655.

**E: RELATED PARTY TRANSACTIONS**

STAR has entered into cooperative endeavor agreements with local governmental agencies which provided support totaling \$75,000. Each governmental agency has a representative on the Board of Directors. The funds provided through these agreements are without restrictions.

**F: LEASE COMMITMENTS**

STAR leases office space in Baton Rouge, Louisiana under agreements that are classified as operating leases. The Baton Rouge office lease provides for monthly rent of \$9,956 and expires on February 28, 2026. The lease also has an optional renewal extension period that is not reasonably certain to be exercised. STAR evaluates the optional renewal extensions on a lease-by-lease basis and includes them in the right-of-use asset and lease liability balances when they become reasonably certain to be exercised. The right-of-use assets and related liabilities have been calculated using a weighted average risk-free discount rate of 4.27%. The weighted-average remaining lease term for lease, excluding those classified as short term, was 2.67 years as of June 30, 2023.

STAR also leases office space in Alexandria, and New Orleans, Louisiana under agreements that are classified as short-term leases. The Alexandria office lease provides for monthly rent of \$2,100 and expires October 31, 2023. The New Orleans office is month-to-month and provides for monthly rent of \$6,000 per month.

The total lease expense under these agreements was \$216,672 for the year ended June 30, 2023.

The future minimum lease payments are as follows for the year ended June 30, 2023:

Years Ending June 30	Operating Leases	Short-term Leases	Total
2024	\$ 119,472	\$ 8,400	\$ 127,872
2025	119,472	-	119,472
2026	79,648	-	79,648
	<u>318,592</u>	<u>8,400</u>	<u>326,992</u>
Less amounts representing interest	(17,974)	-	(17,974)
	<u>\$ 300,618</u>	<u>\$ 8,400</u>	<u>\$ 309,018</u>

**G: NON-CASH INVESTING AND FINANCING ACTIVITIES**

During 2023, STAR acquired \$337,044 of operating right-of-use assets in exchange for lease obligations.

**H: CONTINGENCIES**

During the year ended June 30, 2023, STAR received \$1,200,841 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.

**I: LIQUIDITY**

The following represents STAR's financial assets as of June 30, 2023, reduced by amounts not available for general use because of contractual restrictions within one year of the statement of financial position date:

Financial assets at June 30, 2023	\$ 2,068,131
Amounts unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions	(576,892)
	<u>\$ 1,491,239</u>

As part of the organization's liquidity management, STAR maintains sufficient cash balances throughout the year through the receipt of grants and donations.

**J: EMPLOYEE RETENTION CREDIT**

The Employee Retention Credit (ERC) was created under the CARES Act to help organizations who have been negatively impacted by COVID-19 retain their employees. During the year ended June 30, 2023, STAR applied for an ERC in the amount of \$699,334. STAR performed an assessment and determined the conditions have been substantially met, therefore the tax credit has been recognized as other income in the accompanying statement of activities.

**K: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of funds designated by donors or grantors for specific purposes or programs. As of June 30, 2023, amounts restricted to use for specific programmatic areas was as follows.

Greater New Orleans operations	\$ 426,274
Baton Rouge operations	75,000
Advocacy	62,295
Technology upgrades and administration	13,323
	<u>\$ 576,892</u>

**K: NET ASSETS WITH DONOR RESTRICTIONS (continued)**

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, 2023:

Purpose restriction accomplished:	
Greater New Orleans operations	\$ 267,189
Baton Rouge operations	75,000
Social change	10,000
Advocacy	81,236
Technology upgrades and administration	40,672
Total restrictions released	<u>\$ 474,097</u>

**L: SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 21, 2023 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, 2023*

	Racheal Hebert Ex-President & CEO	Morgan Lamandre President & CEO
	Amount	Amount
Salary	\$ 64,043	\$ 47,757
Benefits - payroll taxes	4,819	3,144
Benefits - insurance	2,184	3,024
Reimbursements	6,465	553

*See independent auditor's report.*

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

*Year ended June 30, 2023*

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	2017-WL-AX-0045	\$ 257,888
Improving Criminal Justice Responses to Sexual Assault, Domestic Violence, Dating Violence, and Stalking	16.590	2017-WL-AX-0036	239,898
Passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Sexual Assault Services Program	16.017	2021-KF-01-6664	54,571
		2022-KF-01-7244	38,431
			93,002
Services, Training, Officers, Prosecutors Violence Against Women Formula Grant Program	16.588	2021-WF-03-6623	26,474
		2022-WF-03-7535	19,401
			45,875
Crime Victim Assistance Program	16.575	2021-VA-01-6537	134,597
		2021-VA-01-6874	18,288
		2021-VA-01-6498	38,409
		2021-VA-01-6970	4,529
		2021-VA-01-6872	92,864
		2021-VA-01-6766	127,224
		2021-VA-01-7143	51,715
			467,626
Passed through the District Attorney of the 19th Judicial District:			
Crime Victim Assistance Program	16.575	2021-VA-01-6832	8,938
		2021-VA-01-6850	1,175
			10,113
Passed through the Covenant House of New Orleans			
Enhanced Collaborative Model Task Force to Combat Human Trafficking	16.320	N/A	18,705
<u>U.S. Department of Health and Human Services</u>			
Passed through the Louisiana Foundation Against Sexual Assault:			
American Rescue Plan - Support Survivors of Sexual Assault	93.497	N/A	11,415
Rape Prevention and Education Program	93.136	N/A	56,319
			\$ 1,200,841

*See notes to schedule of expenditures of federal awards.*

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

*June 30, 2023*

**NOTE A—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of STAR under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of STAR, it is not intended to and does not present the financial position, changes in net assets, or cash flows of STAR.

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C—INDIRECT COST RATE**

STAR has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**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, 2023, 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 21, 2023.

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.

*J. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana*

*December 21, 2023*



**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**

***Opinion on Each Major Federal Program***

We have audited Sexual Trauma Awareness and Response Center's (STAR) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of STAR's major federal programs for the year ended June 30, 2023. STAR's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, STAR 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of STAR and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of STAR's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to STAR's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on STAR's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about STAR's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding STAR's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of STAR's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 STAR's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*F. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana*

*December 21, 2023*

**SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER  
SUMMARY OF AUDIT RESULTS AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*Year Ended June 30, 2023*

**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. There were no reportable audit findings relative to the major federal awards programs for STAR.
7. The program tested as major programs is as follows:  
  
U.S. Department of Justice  
CFDA 16.575 – Crime Victim Assistance Program
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. STAR was determined to 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: FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

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

**D: SUMMARY OF PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

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



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Sexual Trauma Awareness and Response Center and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Sexual Trauma Awareness and Response Center's management is responsible for those C/C areas identified in the SAUPs.

Sexual Trauma Awareness and Response Center (the Agency) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***1) Written Policies and Procedures***

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
*Results: No exceptions were found as a result of this procedure.*
  - ii. ***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.  
*Results: No exceptions were found as a result of this procedure.*
  - iii. ***Disbursements***, including processing, reviewing, and approving.  
*Results: No exceptions were found as a result of this procedure.*

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
*Results: No exceptions were found as a result of this procedure.*
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.  
*Results: No exceptions were found as a result of this procedure.*
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
*Results: No exceptions were found as a result of this procedure.*
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
*Results: No exceptions were found as a result of this procedure.*
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
*Results: No exceptions were found as a result of this procedure.*
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.  
*Results: Not applicable as the Agency is a nonprofit organization.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*Results: Not applicable as the Agency is a nonprofit organization*

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*Results: No exceptions were found as a result of this procedure.*

- xii. **Prevention of Sexual Harassment**, including R.S. 42.342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Results: Not applicable as the Agency is a nonprofit organization*

## **2) Board or Finance Committee**

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*Results: No exceptions were found as a result of this procedure.*

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*Results: No exceptions were found as a result of this procedure.*

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Results: Not applicable as the Agency is a nonprofit organization.*

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*Results: No exceptions were found as a result of this procedure.*

### **3) Bank Reconciliations**

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- A. Obtain a listing of entity 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 each selected account, and observe that:

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

*Results: No exceptions were found as a result of this procedure.*

- ii. Bank reconciliations include written evidence that a member of management or a 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

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

### **4) Collections (excluding electronic funds transfers)**

---

- A. 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).

*Results: No exceptions were found as a result of this procedure.*

- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

- i. Employees responsible for cash collections do not share cash drawers/registers,

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

- iii. Each employee responsible for collecting cash is not also 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: and

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

*Results: No exceptions were found as a result of this procedure.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

- i. Observe that receipts are sequentially pre-numbered.

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

- iv. 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 and the cash is stored securely in a locked safe or drawer).

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

**5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

---

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Results: No exceptions were found as a result of this procedure.*

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase:

*Results: No exceptions were found as a result of this procedure.*

- ii. At least two employees are involved in processing and approving payments to vendors:

*Results: No exceptions were found as a result of this procedure.*

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*Results: No exceptions were found as a result of this procedure.*

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments, and

*Results: No exceptions were found as a result of this procedure.*

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*Results: No exceptions were found as a result of this procedure.*

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and  
*Results: No exceptions were found as a result of this procedure.*
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.  
*Results: No exceptions were found as a result of this procedure.*
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.  
*Results: No exceptions were found as a result of this procedure.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

---

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.  
*Results: No exceptions were found as a result of this procedure.*
- B. 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
  - i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported), and  
*Results: No exceptions were found as a result of this procedure.*
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.  
*Results: No exceptions were found as a result of this procedure.*

- C. Using the monthly statements or combined statements selected under procedure #6B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Results: No exceptions were found as a result of this procedure.*

## **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

---

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));

*Results: No exceptions were found as a result of this procedure.*

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

*Results: No exceptions were found as a result of this procedure.*

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

*Results: No exceptions were found as a result of this procedure.*

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Results: No exceptions were found as a result of this procedure.*

## 8) Contracts

---

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.  
*Results: No exceptions were found as a result of this procedure.*
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);  
*Results: No exceptions were found as a result of this procedure.*
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and  
*Results: No exceptions were found as a result of this procedure.*
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.  
*Results: No exceptions were found as a result of this procedure.*

## 9) Payroll and Personnel

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
*Results: No exceptions were found as a result of this procedure.*
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).  
*Results: No exceptions were found as a result of this procedure.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;  
*Results: No exceptions were found as a result of this procedure.*
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and  
*Results: No exceptions were found as a result of this procedure.*
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.  
*Results: No exceptions were found as a result of this procedure.*
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.  
*Results: No exceptions were found as a result of this procedure.*
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.  
*Results: No exceptions were found as a result of this procedure.*

## 10) Ethics

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and  
*Results: Not applicable as the Agency is a nonprofit organization*
  - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.  
*Results: Not applicable as the Agency is a nonprofit organization.*
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.  
*Results: Not applicable as the Agency is a nonprofit organization.*

### ***11) Debt Service***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

*Results: Not applicable as the Agency is a nonprofit organization.*

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*Results: Not applicable as the Agency is a nonprofit organization.*

### ***12) Fraud Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

*Results: No exceptions were found as a result of this procedure.*

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Results: No exceptions were found as a result of this procedure.*

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

*We performed the procedure and discussed the results with management*

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedure and discussed the results with management.*

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*Results: No exceptions were found as a result of this procedure.*

#### ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

*Results: Not applicable as the Agency is a nonprofit organization.*

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Results: Not applicable as the Agency is a nonprofit organization.*

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements:

*Results: Not applicable as the Agency is a nonprofit organization.*

- ii. Number of sexual harassment complaints received by the agency:

*Results: Not applicable as the Agency is a nonprofit organization.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;  
*Results: Not applicable as the Agency is a nonprofit organization.*
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and  
*Results: Not applicable as the Agency is a nonprofit organization.*
- v. Amount of time it took to resolve each complaint.  
*Results: Not applicable as the Agency is a nonprofit organization.*

We were engaged by the Sexual Trauma Awareness and Response Center to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Sexual Trauma Awareness and Response Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

*J. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana  
December 21, 2023*