

**SEXUAL TRAUMA AWARENESS
AND RESPONSE CENTER**

BATON ROUGE, LOUISIANA

JUNE 30, 2020



L.A. CHAMPAGNE & CO.

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, 2020, 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, 2020, 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 14 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 15, 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 31, 2020, 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.

F. A. Champagne & Co., LLP

*Baton Rouge, Louisiana
December 31, 2020*

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
STATEMENT OF FINANCIAL POSITION

June 30, 2020

ASSETS

CURRENT ASSETS

Cash	\$ 528,792
Federal grants receivable	427,713
Prepaid expenses	25,300
Total current assets	<u>981,805</u>

PROPERTY AND EQUIPMENT

Property and equipment, net of depreciation	96,973
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OTHER ASSETS

Deposits	<u>18,806</u>
Total assets	<u><u>\$ 1,097,584</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued salaries and payroll taxes	\$ 60,790
Accrued compensated absences	40,645
Notes payable - Paycheck Protection Program	280,900
Total current liabilities	<u>382,335</u>

NET ASSETS

Without donor restrictions	440,012
With donor restrictions	275,237
Total net assets	<u>715,249</u>
Total liabilities and net assets	<u><u>\$ 1,097,584</u></u>

See notes to financial statements.

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 150,224	\$ 482,000	\$ 632,224
Federal contracts and grants	1,340,614	-	1,340,614
Local and state governmental grants	246,458	-	246,458
Fundraising	33,126	-	33,126
In-kind contributions	286,065	-	286,065
Program service revenue	13,400	-	13,400
Other income	14,496	-	14,496
Net assets released from restrictions	376,909	(376,909)	-
TOTAL SUPPORT AND REVENUE	2,461,292	105,091	2,566,383
EXPENSES			
Program services:			
Advocacy	1,042,548	-	1,042,548
Counseling	492,799	-	492,799
Legal	298,715	-	298,715
Social Change	294,093	-	294,093
	<u>2,128,155</u>	<u>-</u>	<u>2,128,155</u>
Supporting services:			
Fundraising	75,058	-	75,058
Management and general	148,122	-	148,122
	<u>223,180</u>	<u>-</u>	<u>223,180</u>
TOTAL EXPENSES	2,351,335	-	2,351,335
INCREASE (DECREASE) IN NET ASSETS	109,957	105,091	215,048
Net assets - beginning of year	<u>330,055</u>	<u>170,146</u>	<u>500,201</u>
Net assets - end of year	<u>\$ 440,012</u>	<u>\$ 275,237</u>	<u>\$ 715,249</u>

See notes to financial statements.

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
STATEMENT OF CASH FLOWS

Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 215,048
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	28,964
Increase in receivables	(142,136)
Increase in prepaid expenses	(15,963)
Decrease in other accrued expenses	(866)
Increase in accrued salaries and payroll taxes	7,222
Increase in accrued compensated absences	12,118
Net cash provided by operating activities	<u>104,387</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Deposits paid, net	(1,100)
Acquisition of equipment	(61,304)
Net cash used in investing activities	<u>(62,404)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Paycheck Protection Program loan	280,900
Net cash provided by financing activities	<u>280,900</u>

NET INCREASE IN CASH

Cash - beginning of year	205,909
Cash - end of year	<u>\$ 528,792</u>

See notes to financial statements.

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Advocacy	Counseling	Legal	Social Change	Fundraising	Management and General	Total
Salaries & payroll taxes	\$ 578,884	\$ 382,158	\$ 216,840	\$ 203,559	\$ 21,460	\$ 58,706	\$ 1,461,607
Employee benefits	34,231	22,410	16,385	10,351	219	21,937	105,533
Occupancy expenses	55,257	57,583	36,770	41,957	14,833	19,178	225,578
Insurance	-	-	3,761	-	-	10,440	14,201
Equipment	9,125	6,181	3,288	3,675	324	6,488	29,081
Supplies and materials	4,448	6,325	1,671	4,527	165	450	17,586
Printing, copying, and mailing	2,992	1,985	1,124	1,051	111	1,921	9,184
Phone and internet	8,890	3,247	1,838	1,719	181	496	16,371
Conferences and travel	8,717	1,198	2,824	2,326	-	5,240	20,305
Marketing and advertising	-	-	-	-	1,037	-	1,037
Memberships and affiliations	600	-	1,305	-	-	2,245	4,150
Training and meetings hosted	8,452	1,894	975	3,003	78	687	15,089
Contract services	11,057	2,425	7,213	16,538	1,173	15,364	53,770
Special events	-	-	-	-	28,769	-	28,769
Financial assistance	31,538	-	-	-	-	-	31,538
Relocation expense	-	-	-	-	-	2,507	2,507
Depreciation	7,095	7,393	4,721	5,387	1,905	2,463	28,964
In-kind	281,262	-	-	-	4,803	-	286,065
	<u>\$ 1,042,548</u>	<u>\$ 492,799</u>	<u>\$ 298,715</u>	<u>\$ 294,093</u>	<u>\$ 75,058</u>	<u>\$ 148,122</u>	<u>\$ 2,351,335</u>

See notes to financial statements.

SEXUAL TRAUMA AWARENESS AND RESPONSE CENTER
NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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 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 its 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)

Contributions and grants

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.

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.

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.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

New Accounting Pronouncement

In June 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and accounting guidance around contributions received and made by not-for-profit organizations. STAR adopted ASU 2018-08 using a modified prospective method effective July 1, 2019. Under the modified prospective method, this ASU only applies to agreements not completed or entered into as of July 1, 2019. As a result, the 2019 financial statements are not restated and there was no cumulative-effect adjustment to opening net assets as of July 1, 2019. There were no material changes to the recognition of contribution revenue during 2020.

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, 2020:

U.S. Department of Justice	50%
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STAR also receives a significant portion of its funds through donations from private foundations. For the year ended June 30, 2020, contributions from one private foundation accounted for 14% 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, 2020:

Leasehold improvements	\$ 33,035
Furniture and equipment	31,139
Machinery and equipment	136,628
Website and software	18,360
	<u>219,162</u>
Accumulated depreciation	<u>(122,189)</u>
	<u>\$ 96,973</u>

Depreciation expense was \$28,964 for the year ended June 30, 2020.

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. At June 30, 2020, STAR's cash balances exceeded insured limits by \$293,131.

E: RELATED PARTY TRANSACTIONS

STAR has entered into cooperative endeavor agreements with local governmental agencies which provided support totaling \$227,800. 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, 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 was month-to-month and provided for monthly rent of \$900. Effective November 1, 2019, STAR entered into a new lease for the Alexandria office which provides for monthly rent of \$2,100 and expires October 31, 2022. 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 \$211,872 for the year ended June 30, 2020.

F: LEASE COMMITMENTS (continued)

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

Years Ending June 30,	
2021	\$ 144,672
2022	144,672
2023	58,180
	<u>\$ 347,524</u>

G: CONTINGENCIES

During the year ended June 30, 2020, STAR received \$1,340,614 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, 2020.

I: 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, 2020, amounts restricted to use for specific programmatic areas was as follows:

Greater New Orleans operations	\$ 204,050
Baton Rouge operations	50,000
Advocacy	13,325
Counseling	7,862
	<u>\$ 275,237</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, 2020:

Purpose restriction accomplished:	
Greater New Orleans operations	\$ 306,755
Baton Rouge operations	50,000
Advocacy	6,675
Counseling	13,479
Social change	-
Total restrictions released	<u>\$ 376,909</u>

J: LIQUIDITY

The following represents STAR’s financial assets as of June 30, 2020, 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, 2020	\$ 956,505
Amounts unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions	<u>(275,237)</u>
	<u>\$ 681,268</u>

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

K: PAYCHECK PROTECTION PROGRAM LOAN

During the year ended June 30, 2020, STAR received \$280,900 in funds from the Paycheck Protection Program (PPP) under the CARES Act and is reported as a short-term loan on the statement of financial position. STAR anticipates that the PPP loan will be 100% forgiven.

L: SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that could negatively impact contributions and operating results. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

Subsequent events were evaluated through December 31, 2020 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, 2020

Racheal Hebert
President & CEO

	<u>Amount</u>
Salary	\$ 96,904
Benefits - payroll taxes	7,290
Reimbursements	3,649

See independent auditor's report.

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

Year ended June 30, 2020

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	\$ 271,946
Improving Criminal Justice Responses to Sexual Assault, Domestic Violence, Dating Violence, and Stalking	16.590	2017-WL-AX-0036	232,541
Passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Sexual Assault Services Program	16.017	4729 5407	29,401 29,714 <u>59,115</u>
Services, Training, Officers, Prosecutors Violence Against Women Formula Grant Program	16.588	4726 5399	20,456 21,199 <u>41,655</u>
Crime Victim Assistance Program	16.575	4420 5082 4560 5032 5003 5208 4435 5175	122,302 75,353 10,000 25,100 240,704 24,635 96,134 76,405 <u>670,633</u>
Passed through the District Attorney of the 19th Judicial District:			
Crime Victim Assistance Program	16.575	N/A	<u>2,340</u>
<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	<u>62,384</u>
			<u>\$ 1,340,614</u>

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, 2020

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, 2020. 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.

Kimberly G. Sanders, CPA, MBA
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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, 2020, 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, 2020.

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

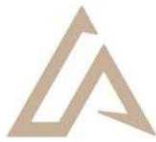
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sexual Trauma Awareness and Response Center's internal control or on compliance. This report is an integral 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, 2020*

Kimberly G. Sanders, CPA, MBA
Neal Fortenberry, CPA
Wayne Dussel, CPA, CFE

Alvin J. Callais, CPA
Jonathan Clark, CPA



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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, 2020. 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, 2020.

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., LLP

*Baton Rouge, Louisiana
December 31, 2020*

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

Year Ended June 30, 2020

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: SUMMARY OF PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

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