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August 19, 2016

To the Board of Directors  
The Sexual Trauma & Abuse Care Center

We have audited the financial statements of The Sexual Trauma & Abuse Care Center for the year ended December 31, 2015, and have issued our report thereon dated August 19, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated July 1, 2016, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of The Sexual Trauma & Abuse Care Center. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of The Sexual Trauma & Abuse Care Center compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Sexual Trauma & Abuse Care Center are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending December 31, 2015. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the depreciation is based on estimated useful life of an asset and allowance for doubtful accounts is based on the collectability of accounts receivable. We evaluated the key factors and assumptions used to develop depreciation and allowance for doubtful accounts in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The Organization does not have any particularly sensitive disclosures affecting the financial statements.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 19, 2016.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our examination of the financial statements of The Sexual Trauma & Abuse Care Center for the year ended December 31, 2015, we made observations, which in our professional judgment are neither a significant deficiency or a material weakness, we feel will be of benefit to you in your continuing management or the Organization's affairs and policies.

1. Management should consider incorporating the usage of the QuickBooks Customers module to assist in tracking grant advancements and receivables.
2. Management should consider modifying the employee reimbursement form to ensure clarity on mileage reimbursement rates.

The overall accounting records were found to be in excellent order. We have enjoyed working with organization personnel on the annual audit and look forward to a continuing professional association. We would be happy to make ourselves available to organization personnel or board members if any questions arise as a result of this year's examination.

This information is intended solely for the use of Board of Directors and management of The Sexual Trauma & Abuse Care Center and is not intended to be and should not be used by anyone other than these specified parties.

Cordially,

*Kohart Accounting, PA*

Kohart Accounting, PA  
A Professional Association  
Certified Public Accountant



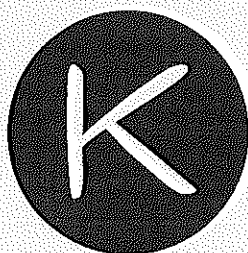
**THE SEXUAL TRAUMA & ABUSE CARE CENTER  
LAWRENCE, KANSAS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

**AND**

**INDEPENDENT AUDITORS' REPORT**



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A Professional Association • Certified Public Accountant

**THE SEXUAL TRAUMA & ABUSE CARE CENTER**  
Lawrence, Kansas

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Sexual Trauma & Abuse Care Center

We have audited the accompanying financial statements of The Sexual Trauma & Abuse Care Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 The Sexual Trauma & Abuse Care Center as of December 31, 2015, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2016, on our consideration of The Sexual Trauma & Abuse Care 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 The Sexual Trauma & Abuse Care Center's internal control over financial reporting and compliance.

*Kohart Accounting, PA*

Kohart Accounting, PA

Lawrence, KS 66044  
August 19, 2016

**THE SEXUAL TRAUMA ABUSE CARE CENTER**

Lawrence, Kansas

**STATEMENT OF FINANCIAL POSITION**

As of December 31, 2015

**ASSETS**

Current Assets

Cash and cash equivalents (Note 1)	\$ 64,121
Grants receivable (Note 3)	75,161
Prepaid expenses (Note 4)	<u>719</u>

Total current assets 140,001

Fixed Assets, net of depreciation (Note 6) 5,489

Other Assets

Security deposit 1,645

Total assets \$ 147,135

**LIABILITIES AND NET ASSETS**

Current Liabilities

Accrued compensation	\$ 14,092
Payroll tax liabilities	<u>2,663</u>

Total current liabilities 16,755

Net Assets

Unrestricted	125,155
Temporarily Restricted	<u>5,225</u>

Total net assets 130,380

Total liabilities and net assets \$ 147,135

The accompanying notes to financial statements are an integral part of this statement.



**THE SEXUAL TRAUMA ABUSE CARE CENTER**  
Lawrence, Kansas

**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>Support</b>			
State grant income	\$ 170,909	\$ 5,225	\$ 176,134
Federal grant income	101,682		101,682
Other grant income	2,000		2,000
United Way	14,546		14,546
Contributions	7,320		7,320
Fundraising events	18,595		18,595
Net assets released from restriction			-
	<u>\$ 315,052</u>	<u>\$ 5,225</u>	<u>\$ 320,277</u>
<b>Revenue</b>			
Other income	1,595		1,595
Interest income	107		108
	<u>316,754</u>	<u>5,225</u>	<u>321,979</u>
<b>Expenses</b>			
Program services	294,718		294,718
Supporting services	36,641		36,641
Fundraising	3,041		3,041
	<u>334,400</u>	<u>-</u>	<u>334,400</u>
<b>Change in net assets</b>	(17,646)	5,225	(12,421)
<b>Net assets, beginning of year</b>	<u>142,801</u>		<u>142,801</u>
<b>Net assets, end of year</b>	<u><u>\$ 125,155</u></u>	<u><u>\$ 5,225</u></u>	<u><u>\$ 130,380</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**THE SEXUAL TRAUMA ABUSE CARE CENTER**

Lawrence, Kansas

**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended December 31, 2015

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Totals</u>
Personnel	\$ 224,083	\$ 24,898		\$ 248,981
Payroll taxes and benefits	20,748	2,305		23,053
Travel and training	10,017			10,017
Supplies and communications	12,572			12,572
Small equipment purchases	1,632			1,632
Facility costs	11,897	1,322		13,219
Contractual	8,450	7,970		16,420
Fundraising costs			3,041	3,041
Other	4,001			4,001
Depreciation	<u>1,318</u>	<u>146</u>		<u>1,464</u>
Total	<u>\$ 294,718</u>	<u>\$ 36,641</u>	<u>\$ 3,041</u>	<u>\$ 334,400</u>

The accompanying notes to financial statements are an integral part of this statement.

**THE SEXUAL TRAUMA ABUSE CARE CENTER**  
Lawrence, Kansas

**STATEMENTS OF CASH FLOWS**  
For the year ended December 31, 2015

**Cash Flows From Operating Activities**

Change in net assets	\$ (12,421)
Adjustments to reconcile change in net assets to net cash flows	
Depreciation	1,464
Changes in assets and liabilities	
(Increase) decrease in receivables	(46,910)
(Increase) decrease in prepaid expenses	(2,364)
Increase (decrease) in accounts payable	(1,335)
Increase (decrease) in accrued compensation	14,092
Increase (decrease) in payroll tax liabilities	(107)
	<hr/>
Net cash provided (used) by operating activities	(47,581) <hr/>

**Cash Flows From Investing Activities**

Purchase of property and equipment	(5,487) <hr/>
Net cash provided (used) by investing activities	(5,487) <hr/>

**Net increase (decrease) in cash for period** (53,068)

**Cash as of beginning of period** 117,189

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**Cash as of end of period** \$ 64,121

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**Supplemental Information**

Interest paid	\$ - <hr/> <hr/>
Income taxes paid	\$ - <hr/> <hr/>

The accompanying notes to financial statements are an integral part of this statement.



**THE SEXUAL TRAUMA & ABUSE CARE CENTER**  
Lawrence, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies**

The Sexual Trauma & Abuse Care Center was incorporated as a 501(c)(3) organization under the laws of the State of Kansas on April 14, 1978. The Organization is committed to the movement to end sexual violence through victim-survivor advocacy and support, community awareness, social justice and prevention education. The Organization sponsors community awareness and prevention education programs focusing on sexual assault, sexual harassment and related issues. The Organization also provides twenty-four hour crisis counseling, victim assistance and support for victims and families of sexual assault.

**Definition of the Entity** – The Sexual Trauma & Abuse Care Center is a nonprofit corporation governed by a board, which shall consist of up to 15 members. The Sexual Trauma & Abuse Care Center as an entity has been defined to include on a combined basis (a) The Sexual Trauma & Abuse Care Center (b) organizations for which The Sexual Trauma & Abuse Care Center is financially accountable, and (c) other organizations for which the nature and significance of their relationship with The Sexual Trauma & Abuse Care Center are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in The Sexual Trauma & Abuse Care Center's report.

**Classification of Net Assets** – The Organization has adopted generally accepted accounting principles as outlined in the Financial Accounting Standards Boards Accounting Standard Codification (FASB ASC) 958-205. Under FASB ASC 958-205, The Organization is required to report information regarding its financial position and activities according to three classes of net assets – permanently restricted, temporarily restricted, and unrestricted.

**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 what will affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

**Income Taxes** – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income determined to be unrelated business taxable income (UBTI) would be taxable.

The Organization follows the accounting standards for uncertain tax positions. The Organization's policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of this policy had no impact on the Organization's financial statements.

The Organization files as a tax-exempt organization. As of December 31, 2015, its 2012 through 2014 fiscal year tax returns are open for examination by the IRS.

**THE SEXUAL TRAUMA & ABUSE CARE CENTER**  
Lawrence, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Cash and Cash Equivalents** – Cash and cash equivalents consist of cash held in checking, money market accounts and certificates of deposit. The Organization considers all cash to be cash equivalents.

**Grants Receivable** – Grants receivable occur due to the performance of services near the end of the year that have been billed but amounts have not been collected. The Organization considers all accounts to be collectible; accordingly, there is no provision for doubtful accounts in these financial statements. If amounts become uncollectible, the amount is charged to operations at that time.

**Long-Term Assets** – Property and equipment with a life that benefits future periods has been capitalized at cost. Depreciation is provided over the estimated useful lives of the respective assets (five to thirty-nine years) using the straight-line method. Depreciation expense for the year ended December 31, 2015 was \$1,464.

**Contributions** – Contributions are recognized when the donor makes a promise to give to The Sexual Trauma & Abuse Care Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization are recorded as permanently restricted net assets. For the year ended December 31, 2015, the Organization did not have any permanently restricted net assets. For the year ended December 31, 2015, the Organization had temporarily restricted net assets which totaled \$5,225. Temporarily restricted net assets consisted of contributions received with a grantor imposed use restriction.

**Concentration of Grant Revenue** – A significant portion of the Organization's revenues consist of government grants. Thus, its funding is vulnerable to changes in the legislative priorities of federal, state and local governments. For the year ended December 31, 2015, government grants comprised the following percentages of total revenues:

Federal	31.58%
State of Kansas	54.70%
Local governments	<u>0.31%</u>
Total concentration	<u><u>86.59%</u></u>

**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 the Organization. No amounts have been reflected in the financial statement for donated services. The Organization generally pays for services requiring specific expertise.

**THE SEXUAL TRAUMA & ABUSE CARE CENTER**  
Lawrence, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Statement of Functional Expenses** – The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Advertising** – The Organization expenses advertising cost as incurred as management believes there is no future benefit to these costs.

**Note 2 – Cash and Credit Risk**

At year end, the bank carrying amounts of the Organization's deposits were \$64,856, which consisted of \$6,059 in checking accounts and \$58,797 in money market accounts.

**Note 3 – Grants Receivable**

Grants receivable consist of the following:

CVAF-CA	\$ 4,406
PFA	10,195
SASP	7,146
STOP-VAWA	7,465
Student Senate	36,000
VOCA	<u>9,949</u>
	<u>\$ 75,161</u>

**Note 4 – Prepaid Expenses**

Prepaid expenses consist of the following:

Prepaid Insurance	<u>\$ 719</u>
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**THE SEXUAL TRAUMA & ABUSE CARE CENTER**  
Lawrence, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**Note 5 – Fixed Assets**

Property and equipment are summarized by major classifications at June 30, 2015 as follows:

Equipment	<u>\$ 24,599</u>
	24,599
Less Accumulated Depreciation	<u>(19,110)</u>
	<u><u>\$ 5,489</u></u>

**Note 6 – Compensated Absences**

The Organization provides for vacation leave determined by the length of service. All vacation time must be used in the year earned or the accumulated vacation time is forfeited.

No provision for accrued compensated absences is made in these financial statements.

**Note 7 – Operating Leases**

The Organization leases office space from unrelated parties under operating leases. Rental payments associated with operating leases are charged to expenses as incurred. Rental expense for the leases consisted of \$13,044, for the year ended December 31, 2015.

Minimum future lease payments under operating leases that have remaining terms in excess of one year are as follows:

December 31, 2016	\$ 19,740
December 31, 2017	19,740
December 31, 2018	19,740
December 31, 2019	19,740
December 31, 2020	<u>18,095</u>
	<u><u>\$ 97,055</u></u>

**Note 8 – Economic Dependence**

The Organization receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

**THE SEXUAL TRAUMA & ABUSE CARE CENTER**  
Lawrence, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**Note 9 – Risk Management**

The Organization is exposed to various risks of loss related to limited torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters. The Organization carries commercial insurance and has not incurred any losses in the past three years.

**Note 10 – Subsequent Events**

Management has evaluated subsequent events through August 19, 2016, the date on which the financial statements were available to be issued.



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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**

To the Board of Directors  
The Sexual Trauma & Abuse Care 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 The Sexual Trauma & Abuse Care Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 19, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Sexual Trauma & Abuse Care 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 The Sexual Trauma & Abuse Care Center's internal control. Accordingly, we do not express an opinion on the effectiveness of The Sexual Trauma & Abuse Care Center'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 The Sexual Trauma & Abuse Care Center's financial statements are free from 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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kohart Accounting, PA*

Kohart Accounting, PA

Lawrence, KS 66044

August 19, 2016

