

**THE SEXUAL TRAUMA & ABUSE  
CARE CENTER, INC.**

Lawrence, Kansas

**FINANCIAL STATEMENTS**

For the year ended December 31, 2019

And

**INDEPENDENT AUDITOR'S REPORTS  
ON FINANCIAL STATEMENTS**

*...KL...*

***Karlin & Long, LLC***  
*Certified Public Accountants*

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**THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.**

Lawrence, Kansas

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Independent Auditor's Report on Financial Statement</b>	1-2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expense	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11
<b>Federal Programs</b>	
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 <u>Government Auditing Standards</u>	12-13

...KL...

**Karlin & Long, LLC**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT  
ON FINANCIAL STATEMENTS**

To the Board of Directors  
The Sexual Trauma & Abuse Care Center, Inc.  
Lawrence, KS

We have audited the accompanying financial statements of The Sexual Trauma & Abuse Care Center, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2019, the related statements of activities, functional expenses, changes in net assets, 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 opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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.

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Board of Directors  
The Sexual Trauma & Abuse Care Center, Inc.

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, Inc. (a nonprofit organization), as of December 31, 2019 and the changes in net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Karlin & Long, LLC*

Karlin & Long, LLC  
Certified Public Accountants  
Lenexa, Kansas

September 17, 2020

**THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.**

Lawrence, Kansas

**STATEMENT OF FINANCIAL POSITION**

As of December 31, 2019

**Assets**

Current assets

Cash and cash equivalents	\$	23,877
Grants Receivable (Note 3)		34,883
Prepaid Expenses		<u>1,657</u>
Total current assets		<u>60,417</u>

Fixed assets

Office equipment and furniture		29,251
Less accumulated depreciation		<u>(27,063)</u>
Total fixed assets		<u>2,188</u>

Other assets

Security deposit		<u>2,890</u>
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Total assets	\$	<u><u>65,495</u></u>
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**Liabilities and Net Assets**

Current Liabilities

Accrued compensation	\$	20,142
Accrued withholding taxes		707
Accrued employer taxes		727
Deferred revenues (Note 5 )		<u>29,735</u>
Total current liabilities		<u>51,311</u>

Net Assets

Unrestricted		<u>14,184</u>
Total net assets		<u>14,184</u>

Total liabilities and net assets	\$	<u><u>65,495</u></u>
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The accompanying notes to financial statements  
are an integral part of this statement.

**THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.**

Lawrence, Kansas

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

For the year ended December 31, 2019

**Unrestricted Net Assets**

**Support and Revenue**

Federal Grants	\$ 287,345
State Grants	206,903
City/ County	9,100
Other Grants	-
United Way	22,748
Student Senate	58,100
Contributions	20,051
Fundraiser	33,994
Interest income	125
In-Kind Contributions	-
Miscellaneous income	-
	<hr/>
Total support and revenue	<u>638,366</u>

**Expenditures**

Program services	607,729
Management and general	81,600
Fundraising	3,925
	<hr/>
Total expenditures	<u>693,255</u>

**Change in Net Assets** (54,889)

**Unrestricted Net assets - Beginning of Year** 69,072

**Unrestricted Net assets - End of year** \$ 14,184

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

**THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.**

Lawrence, Kansas

**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended December 31, 2019

	Program Services	Management and General	Fundraising	Total
<b>Expenditures</b>				
Personnel	\$ 439,195	\$ 48,799	\$ -	\$ 487,994
Payroll taxes	36,470	4,052	-	40,523
Fringe benefits	33,553	3,728	-	37,281
Insurance	4,960	-	-	4,960
Travel and training	27,549	-	-	27,549
Supplies and communications	18,772	-	-	18,772
Small equipment purchases	756	-	-	756
Facility costs	27,696	3,077	-	30,773
Contractual	7,288	21,740	-	29,028
Victim assistance	2,680	-	-	2,680
Other	6,986	-	-	6,986
Depreciation	1,825	203	-	2,028
Fundraising supplies	-	-	3,925	3,925
	<u>\$ 607,729</u>	<u>\$ 81,600</u>	<u>\$ 3,925</u>	<u>\$ 693,255</u>

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

**THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.**

Lawrence, Kansas

**STATEMENT OF CASH FLOW**

For the year ended December 31, 2019

**Cash flows from operating activities**

Increase (decrease) in net assets \$ (54,889)

Adjustments to reconcile net income to net cash  
provided by operating activities

Depreciation and amortization 2,028

Adjustments to reconcile in change in net assets

(Increase) decrease in accounts receivable 22,530

(Increase) decrease in security deposits (1,245)

Increase (decrease) in accrued liabilities (146)

Increase (decrease) in deferred revenues (3,908)

Total adjustments 19,259

**Net cash provided (used) by operating activities** (35,629)

**Cash flows from investing activities**

Purchase of capital equipment -

**Net cash provided (used) by investing activities** -

**Net increase (decrease) in cash for period** (35,629)

**Cash as of beginning of period** 59,507

**Cash as of end of period** \$ 23,877

**Supplemental Information**

Interest paid \$ -

Income taxes paid \$ -

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



# THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.

Lawrence, Kansas

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 1 – Summary of Significant Accounting Policies**

The Sexual Trauma & Abuse Care Center, Inc. was incorporated as a 501(c)(3) nonprofit 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.

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

#### **Definition of the entity**

The Sexual Trauma & Abuse Care Center, Inc. is a nonprofit corporation governed by a board, which shall consist of up to 15 members. The Sexual Trauma & Abuse Care Center, Inc. as an entity has been defined to include on a combined basis (a) The Sexual Trauma & Abuse Care Center, Inc., (b) organizations for which The Sexual Trauma & Abuse Care Center, Inc. is financially accountable, and (c) other organizations for which the nature and significance of their relationship with The Sexual Trauma & Abuse Care Center, Inc. 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, Inc.'s report.

#### **Classification of Net Assets**

The Organization has adopted generally accepted accounting principles as outlined in Financial Accounting Standards Board Accounting Standards 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

#### **Basis of Accounting and Revenue Recognition**

The accompanying financial statements have been prepared on the accrual method of accounting which is in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held in checking and money market accounts. The organization considers all cash to be cash equivalents.

**THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.**

Lawrence, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

**Concentration of Support**

The Sexual Trauma & Abuse Care Center, Inc. receives support primarily through contributions, state grants, federal grants and the United Way of Douglas County. Approximately 77% of the Organization's support comes from Federal and State allocations. This creates a concentration of support which if funding were to be discontinued would severely handicap current operations.

**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.

**Contributions**

Contributions are recognized when a donor makes a promise to give to The Sexual Trauma & Abuse Care Center, Inc. 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 contribution is 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, 2019, the Organization had no temporarily or permanently restricted net assets.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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 revenue and expenses during the reporting period. 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.

**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.

# THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.

Lawrence, Kansas

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – Summary of Significant Accounting Policies (continued)

#### Donated Materials and Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by entities or persons possessing those skills and would need to be purchased if the services were not donated. During the year ended December 31, 2019, the Organization received assistance in the form of volunteers who provide services which assist in meeting grant objectives and provide direct advocate services. Management has determined the volunteer services provided to the Organization do not require recognition in the financial statements.

#### Equipment and Depreciation

Property and equipment are recorded at cost. Major replacements and renovations are capitalized and depreciated over the remaining useful life of the asset. The Organization generally capitalizes purchases over \$500. Maintenance and repairs which do not extend the lives of the respective assets are charged to expense as incurred. All gains or losses arising from sale or disposal of equipment are recognized in income in the year in which they occur. Depreciation is provided using the straight-line method over the estimated useful life of the respective asset. Depreciation recorded for the year ended December 31, 2019 was \$2,028.

#### Advertising

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

#### Income Tax Status

The Sexual Trauma & Abuse Care Center, Inc. is a not-for-profit organization that is exempt from income taxes under section 501(c) (3) of the Internal Revenue Code. No income tax provision is made in these financial statements. The Sexual Trauma & Abuse Care Center, Inc. has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Code because the Organization is described in section 509 (a)(3). There was no unrelated business income for 2019.

The Organization's tax returns for the years ending 2019, 2018, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

### NOTE 2 – Deposits

At year-end the carrying amounts of the Organization's deposits were \$23,877 as of December 31, 2019. The deposits consist of demand deposits and certificates of deposit held in banks. The Federal Deposit Insurance Corporation insures up to \$250,000 per depositor per account type. Bank cash balance was \$29,526 as of December 31, 2019. Of the bank balance, \$29,526 was covered by Federal Deposit Insurance Corporation as of December 31, 2019.

**THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.**

Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 3 – Grants Receivable**

Grants receivable consist of the following:

	<u>2019</u>
SASP Grant	\$ 5,270
VOCA	8,884
VAWA Grant	4,482
SGF Grant	1,358
PFA Grant	190
KDHE Grant	<u>14,699</u>
	<u>\$ 34,883</u>

**NOTE 4 – Compensated Absences**

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

No provision is made for accumulated vacation time in these financial statements.

**NOTE 5 – Deferred Revenues**

The Organization has grants that are on the reimbursement method for funding. The Organization spends money and then submits to the grantor for reimbursement.

Deferred revenues consist of the following:

	<u>2020</u>
SGF Grant	<u>\$ 29,735</u>
	<u>\$ 29,735</u>

**NOTE 6 – Operating Leases**

The Organization leases building space for its offices from unrelated parties under an operating lease. Rental payments associated with an operating lease are charged to expense as incurred. Rental expense for the lease consisted of \$19,740 for the year ended December 31, 2019.

**THE SEXUAL TRAUMA & ABUSE CARE CENTER, INC.**

Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 6 – Operating Leases (continued)**

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

2020	<u>\$ 18,095</u>
	<u>\$ 18,095</u>

**NOTE 7 – Risk Management**

The Organization is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Organization carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 8 – Service Organization**

The Organization utilized the accounting services of an outside entity during the current year.

**NOTE 9 – Contingencies**

The Organization receives significant financial assistance from numerous federal, state, and county agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the Organization as of December 31, 2019.

**NOTE 10 – Subsequent Events Review**

Subsequent events for management’s review have been evaluated through September 17, 2020. The date in the prior sentence is the date the financial statements were available to be issued.

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**Karlin & Long, LLC**  
Certified Public Accountants

To the Board of Directors  
The Sexual Trauma & Abuse Care Center, Inc.  
Lawrence, Kansas

**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**

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, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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 September 17, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Sexual Trauma & Abuse Care Center, Inc.'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, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Sexual Trauma & Abuse Care Center, Inc.'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.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Sexual Trauma & Abuse Care Center, Inc.'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.

*Karlin & Long, LLC*

Karlin & Long, LLC  
Certified Public Accountants

Lenexa, Kansas  
September 17, 2020