

SAWCC, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT THEREON

JUNE 30, 2011

SAWCC, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
SAWCC, Inc.
Naples, Florida

We have audited the accompanying statement of financial position of SAWCC, Inc. (a nonprofit corporation) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of SAWCC, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and, in our report dated November 10, 2010, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAWCC, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 25, 2011, on our consideration of SAWCC, Inc.'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of SAWCC, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profits Organizations and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Rogers Wood Hill Starmann & Gustason, P.A.

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants
October 25, 2011

SAWCC, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2011

(With Comparative Totals for 2010)

ASSETS

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 1,600,220	\$ 739,236
Investments - Note 3	3,722,690	3,748,630
Grants receivable	461,988	573,030
Pledges receivable - Note 6	384,978	312,862
Prepaid expenses	42,459	51,612
Inventory - resale store	102,059	112,284
Property and equipment, net of accumulated depreciation of \$2,285,179 in 2011 and \$1,998,766 in 2010 - Note 7	<u>7,771,145</u>	<u>7,917,011</u>
Total assets	<u>\$ 14,085,539</u>	<u>\$ 13,454,665</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 46,753	\$ 29,354
Accrued expenses	197,266	203,027
Advance ticket sales	-	24,500
Deposits held	970	1,570
Long-term debt - Note 8	<u>117,000</u>	<u>126,000</u>
Total liabilities	<u>361,989</u>	<u>384,451</u>
Net assets:		
Unrestricted -		
Designated for Beau Venturi House capital improvements	101,498	101,647
Designated as endowment fund - Note 15	2,994,480	2,475,265
Designated for property and equipment	7,771,145	7,917,011
Undesignated	<u>2,291,111</u>	<u>2,038,587</u>
Total unrestricted net assets	13,158,234	12,532,510
Temporarily restricted - Note 13	508,421	488,079
Permanently restricted - Note 13	<u>56,895</u>	<u>49,625</u>
Total net assets	<u>13,723,550</u>	<u>13,070,214</u>
Total liabilities and net assets	<u>\$ 14,085,539</u>	<u>\$ 13,454,665</u>

SAWCC, INC.STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for 2010)

	2011			Totals	
	Unrestricted	Temporarily	Permanently	2011	2010
		Restricted	Restricted		
REVENUES:					
Support from government units	\$ 956,424	\$ -	\$ -	\$ 956,424	\$ 1,163,239
United Way of Collier County	110,000	-	-	110,000	110,000
Transitional housing rents	8,002	-	-	8,002	8,164
Other public support	726,791	508,421	-	1,235,212	1,111,818
Other public support - in kind	694,754	-	-	694,754	569,643
Resale store revenues	1,293,662	-	-	1,293,662	1,347,635
Fund raising events	1,156,679	-	-	1,156,679	1,021,456
Investment return - Note 5	508,636	-	7,270	515,906	303,089
Total revenues	5,454,948	508,421	7,270	5,970,639	5,635,044
Net assets released from restrictions	488,079	(488,079)	-	-	-
Total revenues and net assets released from restrictions	5,943,027	20,342	7,270	5,970,639	5,635,044
EXPENSES AND LOSSES:					
Program services	3,975,020	-	-	3,975,020	3,861,567
Supporting services	1,342,283	-	-	1,342,283	1,332,355
Total expenses	5,317,303	-	-	5,317,303	5,193,922
INCREASE IN NET ASSETS	625,724	20,342	7,270	653,336	441,122
NET ASSETS - BEGINNING OF YEAR	12,532,510	488,079	49,625	13,070,214	12,629,092
NET ASSETS - END OF YEAR	\$ 13,158,234	\$ 508,421	\$ 56,895	\$ 13,723,550	\$ 13,070,214

SAWCC, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	Program Services	Supporting Services			Total Expenses
		Resale Store	Fund Raising	Administrative	
Salaries and wages	\$ 1,826,567	\$ 150,474	\$ 221,264	\$ 279,156	\$2,477,461
Payroll taxes and employee benefits	409,684	34,977	49,955	51,221	545,837
Total salaries and related expenses	<u>2,236,251</u>	<u>185,451</u>	<u>271,219</u>	<u>330,377</u>	<u>3,023,298</u>
Advertising	8,067	12,819	158	-	21,044
Books, tapes, and subscriptions	2,152	-	324	276	2,752
Client assistance	202,221	-	-	-	202,221
Client assistance - in kind	694,754	-	-	-	694,754
Dues and membership	11,670	1,494	2,246	2,826	18,236
Fund raising event costs	-	-	160,697	-	160,697
Insurance	78,993	12,880	9,502	15,914	117,289
Miscellaneous	21,314	14,654	119	229	36,316
Postage and printing	17,478	3,371	6,429	5,252	32,530
Professional services	50,459	11,648	52,178	12,179	126,464
Rent	47,640	30,285	-	-	77,925
Repairs and maintenance	132,793	9,412	8,407	4,273	154,885
Supplies	47,808	5,044	5,120	3,439	61,411
Telephone	20,740	3,139	1,824	5,591	31,294
Training and recruiting	19,867	34	877	2,558	23,336
Travel	5,235	-	2,502	8,039	15,776
Trucking	26,364	52,580	-	-	78,944
Utilities	82,062	12,973	5,327	1,332	101,694
Volunteer/staff development	6,677	806	18,740	1,858	28,081
Uncollectible pledges	-	-	11,718	-	11,718
Gain/loss on disposal of asset	10,225	-	-	-	10,225
Depreciation	<u>252,250</u>	<u>26,172</u>	<u>3,167</u>	<u>4,824</u>	<u>286,413</u>
Total expenses	<u>\$ 3,975,020</u>	<u>\$ 382,762</u>	<u>\$ 560,554</u>	<u>\$ 398,967</u>	<u>\$5,317,303</u>

SAWCC, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	Program Services	Supporting Services			Total Expenses
		Resale Store	Fund Raising	Administrative	
Salaries and wages	\$ 1,831,320	\$ 183,415	\$ 204,744	\$ 235,228	\$2,454,707
Payroll taxes and employee benefits	403,124	30,691	65,487	59,101	558,403
Total salaries and related expenses	<u>2,234,445</u>	<u>214,106</u>	<u>270,231</u>	<u>294,329</u>	<u>3,013,110</u>
Advertising	8,109	12,728	1,435	48	22,320
Books, tapes, and subscriptions	13,203	52	73	388	13,716
Client assistance	163,929	-	-	-	163,929
Client assistance - in kind	569,643	-	-	-	569,643
Dues and membership	12,670	400	2,569	962	16,600
Fund raising event costs	-	-	158,073	-	158,073
Insurance	73,334	1,405	31,389	4,671	110,799
Miscellaneous	12,356	12,250	237	8,903	33,746
Postage and printing	23,449	1,325	5,164	1,850	31,788
Professional services	91,947	4,934	7,693	7,337	111,911
Rent	35,100	63,336	-	-	98,436
Repairs and maintenance	137,646	7,786	14,989	5,534	165,955
Supplies	58,487	3,634	9,839	2,233	74,194
Telephone	22,823	2,841	2,787	2,091	30,542
Training and recruiting	20,940	41	1,509	1,044	23,534
Travel	4,551	-	2,299	7,401	14,251
Trucking	38,240	51,252	10,031	-	99,523
Utilities	79,414	11,971	11,394	2,798	105,577
Volunteer/staff development	9,262	1,422	6,193	2,672	19,549
Uncollectible pledges	-	-	31,955	-	31,955
Gain/loss on disposal of asset	1,523	-	-	-	1,523
Depreciation	<u>250,496</u>	<u>25,572</u>	<u>3,167</u>	<u>4,013</u>	<u>283,248</u>
Total expenses	<u>\$ 3,861,567</u>	<u>\$ 415,055</u>	<u>\$ 571,027</u>	<u>\$ 346,273</u>	<u>\$5,193,922</u>

SAWCC, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for 2010)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from government units	\$ 1,113,716	\$ 1,122,721
Cash received from United Way of Collier County	110,000	110,000
Cash received from other public support	1,891,718	1,517,450
Cash received from resale store	1,293,662	1,347,405
Cash received from fund raising	1,060,063	1,149,774
Investment income received	515,906	303,089
Cash paid to suppliers and employees	<u>(5,000,474)</u>	<u>(4,870,686)</u>
Net cash provided by operating activities	<u>984,591</u>	<u>679,753</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	525,293	396,787
Purchases of investments	(499,353)	(251,627)
Purchases of property and equipment	<u>(140,547)</u>	<u>(251,481)</u>
Net cash used by investing activities	<u>(114,607)</u>	<u>(106,321)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long term debt	<u>(9,000)</u>	<u>(9,000)</u>
Net cash used by financing activities	<u>(9,000)</u>	<u>(9,000)</u>
NET INCREASE IN CASH	860,984	564,432
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>739,236</u>	<u>174,804</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,600,220</u>	<u>\$ 739,236</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 653,336	\$ 441,122
Depreciation	286,413	283,248
Loss on disposal of property and equipment	-	1,523
Changes in assets and liabilities -		
Grants and pledges receivable	38,926	(82,375)
Prepaid expenses	9,153	(8,298)
Inventory	10,225	(230)
Accounts payable and accrued expenses	<u>(13,462)</u>	<u>44,763</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 984,591</u>	<u>\$ 679,753</u>

SAWCC, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2011 AND 2010

NOTE 1 - ORGANIZATION

SAWCC, Inc., d/b/a Shelter for Abused Women and Children of our Community, was organized in 1986 for the purpose of providing counseling, shelter, and other services to victims of domestic violence in Collier County, Florida.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Contributions

The Organization reports gifts of cash and other assets as restricted support 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 a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

In Kind Contributions

In kind contributions are recorded as contributions at their estimated current value at the date of the contribution. Items contributed to the resale store that had not been sold at the balance sheet date are recorded as inventory at their estimated current value.

Contributed Services

During the years ended June 30, 2011 and 2010, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives approximately 12,000 volunteer hours per year.

Inventory - Resale Store

Inventory of contributed resale merchandise at the resale store is carried at their estimated current value.

Investments

Investments in marketable securities are carried at fair value in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Property and Equipment

Property and equipment are recorded at cost or, if contributed, at the fair value on the date of contribution. Depreciation is provided on the straight-line basis over the estimated useful lives of five to fifteen years for furniture, fixtures and equipment and thirty-nine years for buildings and improvements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers as cash and cash equivalents all highly liquid investments with an initial maturity of three months or less. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board of Directors for investment.

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 certain reported amounts and disclosures. Actual results could differ from these estimates.

SAWCC, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2011 AND 2010

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

Comparative financial statements and reclassifications

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Expense Allocation

The costs of providing program, management, fundraising, and thrift store activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3 - INVESTMENTS

	<u>Cost 2011</u>	<u>Fair Market Value 2011</u>	<u>Fair Market Value 2010</u>
Investments consist of the following:			
Certificates of deposits and money accounts	\$ 814,309	\$ 814,309	\$ 1,395,730
Equity securities	1,405,829	1,658,052	870,342
Fixed income securities	761,363	781,604	1,461,721
Real estate	71,878	74,687	-
Commodities	378,145	383,744	-
Accrued interest	10,294	10,294	20,837
Total investments	<u>\$ 3,441,818</u>	<u>3,722,690</u>	<u>3,748,630</u>
Less: permanently restricted investments	<u>56,895</u>	<u>56,895</u>	<u>49,625</u>
Unrestricted investments	<u>\$ 3,384,923</u>	<u>\$ 3,665,795</u>	<u>\$ 3,699,005</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

The Organization measures fair value as set forth in the Statement of Financial Accounting Standard FASB ASC 820, "Fair Value Measurements." FASB ASC 820 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

SAWCC, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2011 AND 2010

NOTE 4 - FAIR VALUE MEASUREMENTS CONTINUED...

The following are the major categories of assets measured at fair value on a recurring basis during the year ended June 30, 2011:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate Bonds	\$ 601,598	\$ -	\$ 601,598	\$ -
International Bonds	180,006	-	180,006	-
Equity Funds	1,658,052	1,658,052	-	-
Real Estate	74,687	74,687	-	-
Commodities	383,744	383,744	-	-
Certificate of deposits	449,043	449,043	-	-
Cash Equivalents	375,560	375,560	-	-
		<u>\$ 2,941,086</u>	<u>\$ 781,604</u>	<u>\$ -</u>

NOTE 5 - INVESTMENT RETURN

Investment return is comprised of the following:

	<u>2011</u>	<u>2010</u>
Endowment fund:		
Interest and dividends	\$ 75,693	\$ 58,946
Realized gains and losses	(16,538)	(25,014)
Unrealized gains and losses	433,546	235,985
Investment return from endowment fund	<u>492,701</u>	<u>269,917</u>
All other sources:		
Interest, dividends and net investment loss	<u>23,205</u>	<u>33,172</u>
Investment return from all other sources	<u>23,205</u>	<u>33,172</u>
Total investment return	<u>\$ 515,906</u>	<u>\$ 303,089</u>

NOTE 6 - PLEDGES RECEIVABLE

Pledges receivable at June 30, 2011 are due as follows:

<u>Year ending June 30</u>	
2012	\$ 222,770
2013	84,360
2014	58,500
2015	44,700
	<u>410,330</u>
Less: unamortized discount	9,800
Less: reserve for uncollectable pledges	15,552
Total	<u>\$ 384,978</u>

Pledges receivable with due dates extending beyond one year are discounted using three-year U.S. Treasury interest rates.

SAWCC, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2011 AND 2010

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2011</u>	<u>2010</u>
Land	\$ 1,593,261	\$ 1,593,261
Building	7,579,624	7,466,665
Leasehold improvements	31,751	31,751
Transportation equipment	137,108	137,108
Furniture and equipment	714,580	686,992
	<u>10,056,324</u>	<u>9,915,777</u>
Less: accumulated depreciation	<u>2,285,179</u>	<u>1,998,766</u>
Total	<u>\$ 7,771,145</u>	<u>\$ 7,917,011</u>

NOTE 8 - LONG-TERM DEBT

	<u>2011</u>	<u>2010</u>
Mortgage note payable to Collier County, Florida in annual installments of \$9,000 principal; note is non-interest bearing and is collateralized by a second mortgage on the Shelter property.	<u>\$ 117,000</u>	<u>\$ 126,000</u>

Future maturities of long-term debt at June 30, 2010 are as follows:

Year ending June 30,	
2012	\$ 9,000
2013	9,000
2014	9,000
2015	9,000
2016	9,000
Thereafter	72,000
	<u>\$ 117,000</u>

NOTE 9 - COMMITMENTS

The State of Florida Department of Children and Families has been granted a security interest in the Organization's property of an amount not less than \$712,782, which it advanced to the Organization to assist in the construction of the shelter building. This interest has been reduced proportionally, and will continue to be reduced proportionally over a twenty year period, which ends in 2022.

NOTE 10 - INCOME TAXES

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization is a not-for-profit Florida corporation and, therefore, is not subject to state income taxes. Should the Organization's tax exempt status be challenged in the future, its 2010, 2009 and 2008 tax years are open for examination by the IRS.

The Organization has evaluated its tax positions and concluded that the Organization has taken no uncertain tax positions, therefore no provision for income taxes was necessary for the year ended June 30, 2011.

SAWCC, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2011 AND 2010

NOTE 11 - EMPLOYEE RETIREMENT PLAN

The Organization has adopted a retirement plan under Section 401(k) of the Internal Revenue Code. Employees with three months of service are eligible to make contributions to the plan and to receive matching contributions to be made by the Organization. The Organization contributed \$42,726 and \$44,962 to the plan during the years 2011 and 2010, respectively.

NOTE 12 - CONCENTRATION OF CREDIT RISK

The Association places the majority of its interest bearing investments with several major financial institutions and, by policy, limits the amount of credit exposure to any one financial institution. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. At June 30, 2011, all of the Association's deposits were federally insured.

NOTE 13 - NET ASSETS

A portion of the unrestricted net assets has been designated by the Board of Directors for capital improvements to the Beau Venturi House and for an endowment fund. Both of the designated funds are increased/(decreased) by the investment return. The endowment fund was increased by contributions received of \$34,783 for the year ended June 30, 2011.

Temporarily restricted net assets consist of the following contributions:

	<u>2011</u>	<u>2010</u>
Allstate Grant	\$ 22,000	\$ 19,585
Brookdale Foundation for Elder Abuse	79,326	103,951
A/C Grant	7,290	-
Children's Enrichment	50,000	8,664
Doris Day Foundation	1,308	250
Chico's Retail Grant	20,000	-
Fresh Start Income	-	934
GADV Funds	29,000	70,474
Island Country Club	-	795
March of Dimes	-	457
Martin Foundation	25,000	20,000
Naples Children & Education Foundation	240,117	228,750
O'Neill Grant	-	10,185
Roots & Shoots	26,243	20,735
YAK Grant	5,574	-
School Supplies	-	4
TL Trust - Children's Enrichment	2,563	3,295
	<u>\$ 508,421</u>	<u>\$ 488,079</u>

Permanently restricted net assets consist of funds contributed by donors as an endowment fund, whose earnings are to be used to fund the shelter's kennel operations. The restricted net assets increased by the investment gain in the amount of \$7,270.

SAWCC, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2011 AND 2010

NOTE 14 - LEASES

In June 2010, the Organization began leasing space for its Immokalee, Florida office. Terms of the lease call for annual rent of \$35,100 through May 2013, with a increase of 5% each year for the two additional years on the lease.

Minimum future annual lease payments under this lease at June 30, 2011 are as follows:

2012	\$	36,709
2013		38,544
		<u>\$ 75,253</u>

In February 2008, the Organization began leasing space for Another Options thrift store. In February 2009, when the opportunity came up for more space at a better location and for the same amount of rent, the Organization opted to move and sign a new lease. Terms of the lease extended through February 2011 with the Organization ceasing operations after that date.

NOTE 15 - ENDOWMENT FUNDS

The Board of Directors had designated a portion of unrestricted net assets as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported in unrestricted net assets.

The Organization has a policy of appropriating for distribution each year, if needed, 5% of its board-designated endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected investment return on its endowment fund's. Accordingly, over the long term, the Organization expects the current spending policy to allow its general endowment fund to provide a total return that meets or exceeds the withdrawal rate as well as the annual rate of inflation.

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make a maximum annual withdrawal of 5% of the three-year average market value of the fund as of June 30th of each year if needed, at the discretion of the Board.

Composition of and changes in endowment net assets for the year ended June 30, 2011 were as follows:

Board-designated endowment net assets, beginning of year	\$	2,475,265
Endowment contributions		34,783
Investment income - Note 5		492,701
Investment fees		<u>(8,269)</u>
Board-designated endowment net assets, end of year		<u>\$ 2,994,480</u>

NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 25, 2011, the date the financial statements were available to be issued.

SINGLE AUDIT

SAWCC, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

			Expenditures		
	Federal CFDA Number	State Contract Number	Federal Funds	State Funds	Total Expenditures
United States Department of Health & Human Services -					
Florida Coalition Against Domestic Violence -					
Temporary Assistance for Needy Families	93.558	11-2228	141,476	-	141,476 (a)
Family Violence Prevention Services	93.671	11-2228	41,632	-	41,632
General Revenue		11-2228	-	44,550	44,550
Domestic Violence Trust Fund		11-2228	-	49,319	49,319
Domestic Violence Trust Fund-Prevention Initiative Project			-	20,000	20,000
Total U.S. Department of Health & Human Services pass-through programs			183,108	113,869	296,977
United States Department of Homeland Security -					
Federal Emergency Management Agency -					
Emergency Food & Shelter National Board -					
Emergency Food & Shelter Program	97.024	28-1590-00-010	11,878	-	11,878
Total U.S. Department of Homeland Security & Emergency Food & Shelter pass through program cluster			11,878	-	11,878
United States Department of Housing and Urban Development -					
Florida Department of Children & Families -					
Collier County, Florida -					
2010 Supportive Housing Program - COC	14.235	FL10295B4D06082	101,956	-	101,956 (a)
2009 Supportive Housing Program - COC	14.235	FL10295B4D06081	19,133	-	19,133 (a)
Subtotal Supportive Housing program			121,089	-	121,089
Community Development Block Grant	14.218	B-09-UC-12-0016	117,535	-	117,535
Homeless Assistance Challenge Grant	60.014	HFZ03	-	18,000	18,000
Total U.S. Depart. of Housing & Urban Development pass through programs			238,624	18,000	256,624
United States Department of Justice -					
Florida Office of the Attorney General -					
Victims of Crime Assistance	16.575	V10013	133,988	-	133,988 (a)
Victims of Crime Assistance	16.575	V09013	32,259	-	32,259 (a)
ARRA-State Victims Assistance (InVest)	16.801	ARRA09003	13,780	-	13,780 (a)
Subtotal of Victims of Crime Assistance program			180,027	-	180,027
Florida Coalition Against Domestic Violence -					
STOP Violence Against Women Linguistically & Culturally					
ARRA-STOP Violence Against Women Linguistically & Culturally	16.016	11-2228	29,000	-	29,000 (a)
ARRA-STOP Violence Against Women Linguistically & Culturally	16.016	ARRA-11-2228	85,346	-	85,346 (a)
Subtotal STOP Violence Against Women Linguistically & Culturally program			114,346	-	114,346
ARRA-STOP Violence Against Women	16.588	LNZ08	58,870	-	58,870 (a)
Subtotal STOP Violence Against Women program			58,870	-	58,870
Total U.S. Depart of Justice pass through programs			353,243	-	353,243
Total			786,853	131,869	918,722

Significant Accounting Policies

This schedule has been prepared on the accrual basis.

(a) Major Programs

ROGERS WOOD HILL STARMAN & GUSTASON

PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

2375 TAMiami TRAIL NORTH, SUITE 110
NAPLES, FLORIDA 34103

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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

Board of Directors
SAWCC, Inc.
Naples, Florida

We have audited the financial statements of SAWCC, Inc. (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated October 25, 2011. 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.

Internal Control Over Financial Reporting

Management of SAWCC, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered SAWCC, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SAWCC, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of SAWCC, Inc.'s internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Directors
SAWCC, Inc.
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SAWCC, Inc.'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.

We noted certain other matters involving the internal control system and its operation that we reported to management of SAWCC, Inc. in a separate letter dated October 25, 2011.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Rogers Wood Hill Starman & Gustason, P.A.

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants
October 25, 2011

ROGERS WOOD HILL STARMAN & GUSTASON

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
SAWCC, Inc.
Naples, Florida

Compliance

We have audited the compliance of SAWCC, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. SAWCC, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the management of SAWCC, Inc. Our responsibility is to express an opinion on SAWCC, Inc.'s compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 SAWCC, Inc.'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. Our audit does not provide a legal determination of SAWCC, Inc.'s compliance with those requirements.

In our opinion, SAWCC, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of SAWCC, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered SAWCC, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 SAWCC, Inc.'s internal control over compliance.

Board of Directors
SAWCC, Inc.
Page Two

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Rogers Wood Hill Starman & Gustason, P.A.

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants
October 25, 2011

SAWCC, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of SAWCC, Inc.
2. No material weaknesses or other reportable conditions identified not considered to be material weaknesses were found during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of SAWCC, Inc. were disclosed during the audit.
4. No material weaknesses or other reportable conditions identified not considered to be material weaknesses in internal control over major programs were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for SAWCC, Inc. expresses an unqualified opinion on the major federal award programs.
6. The auditor's report contained no findings relating to major programs that the auditor would be required to report under Section 510(a) OMB Circular A-133.

7. Six federal programs or clusters were treated as major programs:

	<u>CFDA No.</u>	<u>Amount</u>
STOP Violence Against Women Linguistically & Culturally	16.016	\$ 114,346
Crime Victim Assistance	16.575	\$ 166,247
STOP Violence Against Women	16.588	\$ 58,870
State Victim Assistance (In Vest)	16.801	\$ 13,780
Temporary Assistance for Needy Families	93.558	\$ 141,476
Supportive Housing Program	14.235	\$ 121,089

8. The threshold for distinguishing Types A and B programs was \$300,000 for federal programs.
9. SAWCC, Inc. was determined to be a high-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

1. There are no reportable conditions, material weaknesses, or instance of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. There are no reportable conditions, material weaknesses, or instance of noncompliance including questioned costs that are required to be reported in accordance with Circular A-133.

OTHER MATTERS

The management letter required by A.G. Rule Section 10.656(3)(e) is not included in this report because there were no findings required to be reported.

A Corrective Action Plan is not required because there were no findings required to be reported under the Federal Single Audit Act.

SAWCC, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010

FINDINGS - FINANCIAL STATEMENT AUDIT

No findings were noted in the 2010 audit.

MANAGEMENT COMMENT

Not applicable.

CURRENT STATUS

No findings were noted in the 2010 audit.