

**THE SHELTER FOR ABUSED
WOMEN & CHILDREN, INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

ROGERS WOOD HILL STARMAN & GUSTASON

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Shelter for Abused Women & Children, Inc.
Naples, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of The Shelter for Abused Women & Children, Inc. (a nonprofit organization), which comprise of the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 Shelter for Abused Women & Children, Inc. as of June 30, 2019, 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.

The Shelter for Abused Women & Children, Inc.
Naples, FL

INDEPENDENT AUDITOR'S REPORT, continued

Report on Prior Year Summarized Information

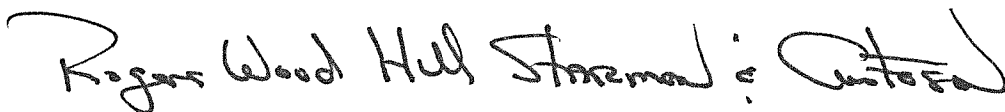
We have previously audited the Organization's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our reports dated January 17, 2020 on our consideration of The Shelter for Abused Women & Children, 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 those reports is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Shelter for Abused Women & Children, Inc.'s internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering The Shelter for Abused Women & Children, Inc.'s internal control over financial reporting and compliance.



ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants & Advisors
Naples, Florida
January 17, 2020

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

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THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

(With Comparative Totals for 2018)

ASSETS

	2019				Totals	
	Without Donor Restrictions		With Donor Restrictions		2019	2018
	Undesignated	Designated	Purpose and Time Restrictions	Perpetual in Nature		
Cash and cash equivalents	\$ 170,999	\$ -	\$ -	\$ -	\$ 170,999	\$ 379,104
Investments - Note 4	213,291	19,404,534	7,342,173	2,010,107	28,970,105	23,310,667
Investments - other	177,091	218,691	-	-	395,782	326,374
Grants receivable	447,899	-	-	-	447,899	335,213
SFTS Pledges receivable - Note 7	13,665	-	-	-	13,665	28,993
Rise Campaign pledges receivable - Note 7	-	-	424,829	-	424,829	2,400,505
Other grant and individual pledge receivable	87,966	33,365	270,000	128,794	520,125	903,598
Prepaid expenses	62,499	-	-	-	62,499	109,135
Inventory - resale store	184,922	-	-	-	184,922	172,310
Property and equipment, net - Note 8	-	9,089,419	-	-	9,089,419	8,139,432
Total assets	\$ 1,358,332	\$ 28,746,009	\$ 8,037,002	\$ 2,138,901	\$ 40,280,244	\$ 36,105,331

LIABILITIES AND NET ASSETS

Accounts payable	\$ 92,105	\$ -	\$ -	\$ -	\$ 92,105	\$ 104,865
Accrued expenses	932,497	-	-	-	932,497	377,066
Deposits held and prepaid ticket sales	51,970	-	-	-	51,970	49,410
Long-term debt - Note 9	45,000	-	-	-	45,000	54,000
Total liabilities	1,121,572	-	-	-	1,121,572	585,341
Net assets:						
<u>Without Donor Restrictions</u>						
Designated for Beau Venturi House capital improvements	-	-	-	-	-	97,889
Designated as endowment fund - Note 15	-	17,721,513	-	-	17,721,513	14,591,304
Designated for property and equipment	-	7,959,909	-	-	7,959,909	7,793,771
Designated for capital purchases	-	3,064,587	-	-	3,064,587	3,070,641
Undesignated	236,760	-	-	-	236,760	700,306
Total Without Donor Restrictions	236,760	28,746,009	-	-	28,982,769	26,253,911
<u>With Donor Restrictions</u>						
Purpose and time restrictions - Note 14	-	-	8,037,002	-	8,037,002	7,377,178
Perpetual in nature - Note 14 and Note 16	-	-	-	2,138,901	2,138,901	1,888,901
Total net assets	236,760	28,746,009	8,037,002	2,138,901	39,158,672	35,519,990
Total liabilities and net assets	\$ 1,358,332	\$ 28,746,009	\$ 8,037,002	\$ 2,138,901	\$ 40,280,244	\$ 36,105,331

The accompanying notes are an integral part of these financial statements.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for 2018)

	2019				Totals	
	Without Donor Restrictions		With Donor Restrictions		2019	2018
	Undesignated	Designated	Purpose and Time Restrictions	Perpetual in Nature		
REVENUES:						
Support from governmental units	\$ 1,346,952	\$ -	\$ 103,040	\$ -	\$ 1,449,992	\$ 1,375,888
United Way of Collier County	10,000	-	-	-	10,000	7,040
Transitional housing rents	27,238	-	-	-	27,238	28,826
Other public support	1,146,583	194,438	2,074,122	250,000	3,665,143	5,470,776
Other public support - in kind	310,664	-	-	-	310,664	273,143
Resale store revenue	1,379,234	-	-	-	1,379,234	1,389,625
Fund raising events - Note 19	1,394,472	-	-	-	1,394,472	1,745,011
Investment return - Note 6	164,076	948,268	78,567	-	1,190,911	1,338,337
Total revenues	5,779,219	1,142,706	2,255,729	250,000	9,427,654	11,628,646
Net assets released from restrictions	1,595,905	-	(1,595,905)	-	-	-
Total revenues and net assets released from restrictions	7,375,124	1,142,706	659,824	250,000	9,427,654	11,628,646
FUNCTIONAL EXPENSES AND RESALE STORE EXPENSES:						
Program services	4,196,087	-	-	-	4,196,087	3,972,428
Supporting services	1,213,182	-	-	-	1,213,182	1,334,558
Total functional expenses	5,409,269	-	-	-	5,409,269	5,306,986
Resale store expenses	379,703	-	-	-	379,703	395,350
Total functional and resale store expenses	5,788,972	-	-	-	5,788,972	5,702,336
INCREASE IN NET ASSETS	1,586,152	1,142,706	659,824	250,000	3,638,682	5,926,310
BOARD APPROVED TRANSFERS	(2,049,698)	2,049,698	-	-	-	-
NET ASSETS - BEGINNING OF YEAR	700,306	25,553,605	7,377,178	1,888,901	35,519,990	29,593,680
NET ASSETS - END OF YEAR	\$ 236,760	\$ 28,746,009	\$ 8,037,002	\$ 2,138,901	\$ 39,158,672	\$ 35,519,990

The accompanying notes are an integral part of these financial statements.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Program Services</u>	<u>Fund Raising</u>	<u>Administrative</u>	
Salaries and wages	\$ 2,347,038	\$ 399,672	\$ 242,728	\$ 2,989,438
Payroll taxes and employee benefits	493,248	65,891	42,732	601,871
Total salaries and related expenses	<u>2,840,286</u>	<u>465,563</u>	<u>285,460</u>	<u>3,591,309</u>
Advertising	10,330	-	-	10,330
Books, tapes, and subscriptions	2,742	953	451	4,146
Client assistance and community education	127,267	302	384	127,953
Client assistance - in kind	310,664	-	-	310,664
Dues and membership fees	26,058	25,459	4,499	56,016
Insurance	70,028	10,405	16,223	96,656
Immokalee expansion expenses	5,637	4,792	-	10,429
Miscellaneous	17,684	10,469	49,053	77,206
Postage and printing	17,840	3,010	3,654	24,504
Professional services	62,094	9,144	13,456	84,694
Rent	53,090	49	-	53,139
Repairs and maintenance	141,799	4,706	1,902	148,407
Supplies	26,238	12,929	2,827	41,994
Telephone	42,083	2,902	1,527	46,512
Training and recruiting	26,837	4,045	3,239	34,121
Travel	12,669	3,527	2,443	18,639
Trucking	21,287	-	-	21,287
Utilities	78,946	4,682	1,170	84,798
Volunteer/staff development	12,971	4,729	4,907	22,607
(Gain)/loss on disposal of asset	(1,705)	-	-	(1,705)
Depreciation	<u>291,242</u>	<u>3,315</u>	<u>812</u>	<u>295,369</u>
Sub-total	<u>4,196,087</u>	<u>570,981</u>	<u>392,007</u>	<u>5,159,075</u>
Special events fund raising expenses	-	250,194	-	250,194
Total expenses	<u>\$ 4,196,087</u>	<u>\$ 821,175</u>	<u>\$ 392,007</u>	<u>\$ 5,409,269</u>

The accompanying notes are an integral part of these financial statements.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for 2018)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from government units	\$ 1,337,311	\$ 1,561,235
Cash received from United Way of Collier County	10,000	7,040
Cash received from other public support	5,695,564	4,912,503
Cash received from resale store	1,379,234	1,389,625
Cash received from fund raising	1,397,432	1,283,190
Investment income received	1,190,911	1,338,337
Cash paid to suppliers and employees	<u>(4,464,138)</u>	<u>(4,769,170)</u>
Net cash provided by operating activities	<u>6,546,314</u>	<u>5,722,760</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(12,478,864)	(10,492,085)
Proceeds from sale of investments	6,819,426	4,257,422
Purchases of property and equipment	<u>(1,619,011)</u>	<u>(478,589)</u>
Net cash used by investing activities	<u>(7,278,449)</u>	<u>(6,713,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions received for donor-restricted endowment	408,000	53,400
Contributions received for board designated endowment	194,438	1,016,207
Investments held for deferred compensation	(69,408)	(76,678)
Payments on long term debt	<u>(9,000)</u>	<u>(9,000)</u>
Net cash provided by financing activities	<u>524,030</u>	<u>983,929</u>
NET DECREASE IN CASH	(208,105)	(6,563)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>379,104</u>	<u>385,667</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 170,999</u>	<u>\$ 379,104</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 3,638,682	\$ 5,926,310
Depreciation	323,363	317,734
Contributions received for donor-restricted endowment	(250,000)	(53,400)
Contributions received for board designated endowment	(194,438)	(1,130,686)
Changes in assets and liabilities -		
Grants and pledges receivable	2,103,791	519,083
Prepaid expenses	392,297	(23,942)
Inventory	(12,612)	23,965
Accounts payable and accrued expenses	<u>545,231</u>	<u>143,696</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 6,546,314</u>	<u>\$ 5,722,760</u>

The accompanying notes are an integral part of these financial statements.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2019

(With Selected Information for 2018)

NOTE 1 - ORGANIZATION

The Shelter for Abused Women and Children, Inc. ("The Shelter"), 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 Shelter 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, net assets with donor restrictions are reclassified as net assets without donor restrictions 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, 2019 and 2018, 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 Shelter, but these services do not meet the criteria for recognition as contributed services. The Shelter receives approximately 12,000 volunteer hours per year.

Pledges Receivable

Pledges receivable are stated at the amount management expects to collect from outstanding balances. The Shelter establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific donors, historical trends, and other information. The Shelter provides an allowance for pledges receivable when collection is considered doubtful. Management reviews the allowance for doubtful pledges receivable monthly. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Inventory - Resale Store

Inventory of contributed resale merchandise at the resale store is carried at its 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 investment return in the accompanying Statement of Activities.

Property and Equipment

Property and equipment is 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 Shelter 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.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2019

(With Selected Information for 2018)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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 Shelter's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Financial Statement Presentation

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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.

Change in Accounting Principle included in these Financial Statements

Accounting Standards Update (ASU) No. 2016-14 -Presentation of Financial Statements of Not-for-Profit Entities

The Shelter adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, which is intended to improve financial reporting relating to liquidity, financial performance and cash flows. Specifically, the changes affect net asset classification by reflecting two classifications of net assets, one "without donor restrictions" and one "with donor restrictions", which differs from the traditional classifications of unrestricted, temporarily restricted and permanently restricted. Also, investment returns must be reflected net of related investment expenses and there are further disclosures regarding the Shelter's liquidity. As a result of the retroactive application of the standard, the statements of financial position and statements of activities have been revised to reflect the new guidance. The changes had no material effect on the total net assets at June 30, 2019 or June 30, 2018.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

(With Selected Information for 2018)

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Shelter routinely monitors liquidity to meet its operating needs and other contractual commitment. The Shelter considers all expenditures related to its ongoing activities. In addition to financial assets available to meet general expenditures, the Shelter operates with a balanced operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The Shelter's financial assets that are available within one year of the balance sheet date for general expenditures are as follows:

Financial assets at year-end	\$ 31,190,825
Donor restricted endowment funds	2,010,107
Donor restricted to construct The Shelly Stayer Shelter	6,320,424
	<hr/>
Funds available within one year including board designated funds	22,860,294
Less those unavailable for general expenditures within one year, due to board restrictions subject to change:	
Board designated for capital purchases	3,064,587
Board designated for endowment fund	17,625,399
	<hr/>
Funds available within one year for general expenditures	<u>\$ 2,170,308</u>

NOTE 4 - INVESTMENTS

	<u>Cost</u> <u>2019</u>	<u>Fair Market Value</u> <u>2019</u>
Investments consist of the following:		
Money market accounts	\$ 1,073,067	\$ 1,207,019
Equity securities	8,822,736	14,117,580
Fixed income securities	13,464,911	13,585,741
Other	54,040	59,765
	<hr/>	<hr/>
Total investments	23,414,754	28,970,105
Less: investments with purpose restrictions	7,342,173	7,342,173
Less: investments with time restrictions	2,010,107	2,010,107
	<hr/>	<hr/>
Investments without restrictions	<u>\$ 14,062,474</u>	<u>\$ 19,617,825</u>
	<u>Cost</u> <u>2018</u>	<u>Fair Market Value</u> <u>2018</u>
Investments consist of the following:		
Money market accounts	\$ 7,387,141	\$ 7,387,636
Equity securities	7,867,416	11,420,675
Fixed income securities	4,039,590	4,444,252
Other	58,104	58,104
	<hr/>	<hr/>
Total investments	19,352,251	23,310,667
Less: investments with purpose restrictions	4,686,973	4,686,973
Less: investments with time restrictions	1,612,766	1,612,766
	<hr/>	<hr/>
Investments without restrictions	<u>\$ 13,052,512</u>	<u>\$ 17,010,928</u>

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

(With Selected Information for 2018)

NOTE 5 - FAIR VALUE MEASUREMENTS

The Shelter 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 Shelter 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.

The following are the major categories of assets measured at fair value on a recurring basis during the year ended June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income securities	\$ -	\$ 13,585,741	\$ -
Equity securities	14,117,580	-	-
Cash equivalents	1,207,019	-	-
Other	-	-	59,765
	<u>\$ 15,324,599</u>	<u>\$ 13,585,741</u>	<u>\$ 59,765</u>

NOTE 6 - INVESTMENT RETURN

Investment return is comprised of the following:

	<u>2019</u>	<u>2018</u>
Endowment fund:		
Interest and dividends	\$ 433,530	\$ 356,278
Net investment gains (losses)	641,240	941,755
Investment return from endowment fund	<u>1,074,770</u>	<u>1,298,033</u>
All other sources:		
Interest, dividends and net investment loss	116,141	40,304
Investment return from all other sources	<u>116,141</u>	<u>40,304</u>
Total investment return	<u>\$ 1,190,911</u>	<u>\$ 1,338,337</u>

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2019

(With Selected Information for 2018)

NOTE 7 - PLEDGES RECEIVABLE

Pledges consist of unconditional promises to give and are due as follows:

<u>Year ending June 30</u>	<u>SFTS</u>	<u>Rise Campaign</u>	<u>Endowment</u>
2020	\$ 15,592	\$ 270,084	\$ 35,010
2021	-	106,167	25,000
2022	1,000	45,500	25,000
2023-2025	1,000	15,000	50,000
	<u>17,592</u>	<u>436,751</u>	<u>135,010</u>
Less: unamortized discount	367	11,922	6,216
Less: reserve for uncollectable pledges	<u>3,560</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 13,665</u>	<u>\$ 424,829</u>	<u>\$ 128,794</u>

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

NOTE 8 - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ 2,164,689	\$ 1,812,128
Building	9,205,092	9,113,081
Leasehold improvements	54,246	31,751
Transportation equipment	114,862	114,862
Furniture and equipment	863,583	841,149
Construction in progress	1,129,510	345,661
	<u>13,531,982</u>	<u>12,258,632</u>
Less: accumulated depreciation	<u>4,442,563</u>	<u>4,119,200</u>
Total	<u>\$ 9,089,419</u>	<u>\$ 8,139,432</u>

NOTE 9 - LONG-TERM DEBT

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>2019</u>	<u>2018</u>
	<u>\$ 45,000</u>	<u>\$ 54,000</u>

Future maturities of long-term debt at June 30, 2019 are as follows:

<u>Year ending June 30,</u>	
2020	\$ 9,000
2021	9,000
2022	9,000
2023	9,000
2024	9,000
	<u>\$ 45,000</u>

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2019

(With Selected Information for 2018)

NOTE 10 - COMMITMENTS

The State of Florida Department of Children and Families has been granted a security interest in The Shelter's property of an amount not less than \$237,598, which it advanced to The Shelter to assist in the construction of the Shelter building. This security interest has been reduced proportionally, and will continue to be reduced proportionally over a twenty year period, which ends in 2022.

NOTE 11 - INCOME TAXES

The Internal Revenue Service has determined that The Shelter 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 Shelter is a not-for-profit Florida corporation and, therefore, is not subject to state income taxes. Should The Shelter's tax exempt status be challenged in the future, its 2018, 2017 and 2016 tax years are open for examination by the IRS.

The Shelter has evaluated its tax positions and concluded that The Shelter has taken no uncertain tax positions, therefore, no provision for income taxes was necessary for the year ended June 30, 2019.

NOTE 12 - EMPLOYEE RETIREMENT PLAN

The Shelter 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 Shelter. The Shelter contributed \$54,463 and \$43,145 to the plan during the years 2019 and 2018, respectively.

NOTE 13 - LEASES

On June 1, 2013, The Shelter renewed its agreement to lease space for its Immokalee, Florida office, expiring on April 30, 2020.

Minimum future annual lease payments under this lease at June 30, 2019 are as follows:

2020	\$ 53,582
	<u>\$ 53,582</u>

NOTE 14 - NET ASSETS

Without Donor Restrictions

A portion of the net assets without donor restrictions has been designated by the Board of Directors for capital improvements, other capital purchases and for an endowment fund. All of the designated funds are increased/(decreased) by the investment return.

With Donor Restrictions

Net assets with donor purpose restrictions consist of the funds received for the following purposes:

	<u>2019</u>	<u>2018</u>
Immokalee Emergency Shelter Building Fund	\$ 6,320,424	\$ 6,145,423
Children's Programming	270,000	295,514
Transitional Living - Operating	400,299	369,642
Transitional Living - Construction	172,883	-
Other temporarily restricted funds	873,396	566,599
	<u>\$ 8,037,002</u>	<u>\$ 7,377,178</u>

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2019

(With Selected Information for 2018)

NOTE 15 - BOARD DESIGNATED ENDOWMENT FUND

In prior years, the Board of Directors designated a portion of net assets without donor restrictions as a general endowment fund to support the mission of The Shelter. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported in net assets without donor restrictions.

The Shelter 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 Shelter considered the long-term expected investment return on its endowment fund. Accordingly, over the long term, The Shelter 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 this objective, The Shelter 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, 2019, were as follows:

Board-designated endowment net assets, beginning of year	\$ 14,591,304
Board designated bequests	227,599
Board approved transfers into endowment	2,000,038
Investment income	946,499
Investment fees	<u>(43,927)</u>
Board-designated endowment net assets, end of year	<u>\$ 17,721,513</u>

NOTE 16 - DONOR RESTRICTED ENDOWMENT FUND

The Shelter's donor restricted endowment consists of funds established to support current programs and expansion. As required by generally accepted accounting principles, net assets associated with this donor endowment fund are classified and reported in net assets with restrictions that are perpetual in nature.

The Board of Directors of The Shelter has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, The Shelter classifies as net assets with perpetual restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Investment return on perpetually restricted net assets is classified as unrestricted or purpose restricted in accordance with the direction of the applicable donor gift instruments until those amounts are appropriated for expenditure by The Shelter in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, The Shelter considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of The Shelter, and (7) The Shelter's investment policies.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2019

(With Selected Information for 2018)

NOTE 16 - DONOR RESTRICTED ENDOWMENT FUND, continued

Investment Return Objectives, Risk Parameters and Strategies. The Shelter has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds, if possible. Therefore, The Shelter expects its endowment assets, over time, to produce an average rate of return of approximately 5.8%, annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Shelter has a policy of appropriating for distribution each year a maximum of 5% of the endowment fund's average market value of the prior three years through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, The Shelter considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Shelter expects the current spending policy to allow its endowment funds to grow at a nominal average rate of .8%, annually. This is consistent with The Shelter's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Composition of and changes in endowment net assets for the year ended June 30, 2019 were as follows:

	<u>Endowment</u>	<u>Kennel Fund</u>	<u>Total</u>
Donor-restricted endowment, beginning of year	\$ 1,838,901	\$ 50,000	\$ 1,888,901
Endowment contributions	250,000	-	250,000
Donor-restricted endowment, end of year	<u>\$ 2,088,901</u>	<u>\$ 50,000</u>	<u>\$ 2,138,901</u>

NOTE 17 - CONCENTRATION OF CREDIT RISK

The Shelter 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 Shelter 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, 2019, all of The Shelter's deposits were federally insured.

NOTE 18 - DEFERRED COMPENSATION PLAN

The Shelter maintains a deferred compensation plan for certain senior employees. The deferred compensation liability under The Shelter's plan was approximately \$218,500 and \$150,500, as of June 30, 2019 and 2018, respectively.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2019

(With Selected Information for 2018)

NOTE 19 - FUND RAISING EVENTS, NET

Fund raising events revenue and expenses consist of the following:

	2019		
	<u>Revenue</u>	<u>Expenses</u>	<u>Net Total</u>
Annual appeal	\$ 44,075	\$ (5,933)	\$ 38,142
Mending Broken Hearts with Hope Luncheon	1,070,462	(161,068)	909,394
Men's tailgate	231,022	(48,054)	182,968
Other	48,913	(35,139)	13,774
Net total	<u>\$ 1,394,472</u>	<u>\$ (250,194)</u>	<u>\$ 1,144,278</u>

NOTE 20 - LINE OF CREDIT

As of June 30, 2019, the Shelter has a bank line of credit in the amount of \$2,000,000, due on March 10, 2020; collateralized by investment assets; carrying a variable interest rate of LIBOR plus 2.75%. There were no borrowings against the line at June 30, 2019.

NOTE 21 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 17, 2020, the date the financial statements were available to be issued.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019

	Federal CFDA Number	State Contract Number	Expenditures		
			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	19-2228 & Basic Need	\$ 141,673	\$ -	\$ 141,673
Family Violence Prevention Services	93.671	19-2228 & Basic Need	77,862	-	77,862
General Revenue		19-2228 & Basic Need	-	104,467	104,467
Domestic Violence Trust Fund		19-2228 & Basic Need	-	65,787	65,787
Domestic Violence Trust Fund-Prevention Initiative Project		19-2229 & Basic Need	-	20,000	20,000
Delta Impact	93.136	19-2228-DELTA	29,660	-	29,660
Delta Impact	93.136	20-2228-DELTA	23,084	-	23,084
Total U.S. Department of Health & Human Services pass-through programs			<u>272,279</u>	<u>190,254</u>	<u>462,533</u>
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	3,285	-	3,285
Total U.S. Department of Homeland Security & Emergency Food & Shelter pass through programs			<u>3,285</u>	<u>-</u>	<u>3,285</u>
United States Department of Housing and Urban Development -					
Florida Department of Children & Families -					
Collier County, Florida -					
Homeless Assistance Challenge Grant	60.021	HP17A	-	59,533	59,533
Subtotal Homeless Assistance Challenge Grant			<u>-</u>	<u>59,533</u>	<u>59,533</u>
Supportive Housing Program - COC	14.235	FL0295L4D061306	107,795	-	107,795
Subtotal Supportive Housing program			<u>107,795</u>	<u>-</u>	<u>107,795</u>
Essential Services & Operating Grant	14.231	E-17-UC-12-0024E	3,767	-	3,767
Essential Services & Operating Grant	14.231	E-18-UC-120016	92,536	-	92,536
Subtotal Essential Services & Operating Grant			<u>96,303</u>	<u>-</u>	<u>96,303</u>
Total U.S. Department of Housing & Urban Development pass through programs			<u>204,098</u>	<u>59,533</u>	<u>263,631</u>
United States Department of Justice -					
Florida Office of the Attorney General -					
Victims of Crime Assistance	16.575	VOCA-2018 Wo-00273	59,791	-	59,791
Victims of Crime Assistance	16.575	VOCA-2019 Wo-00179	189,350	-	189,350
Subtotal of Victims of Crime Assistance program			<u>249,141</u>	<u>-</u>	<u>249,141</u>
Florida Coalition Against Domestic Violence -					
STOP Violence Against Women Linguistically & Culturally					
STOP Violence Against Women	16.016	19-2228-CPI	134,157	-	134,157
STOP Violence Against Women	16.588	Basic Needs/Participant 19	4,554	-	4,554
STOP Violence Against Women (Rural)	16.588	19-2228-RU	90,000	-	90,000
Victims of Crime Assistance (Legal)	16.575	18-2228VOCA-LEGAL	16,849	-	16,849
Victims of Crime Assistance (Legal)	16.575	19-2228VOCA-LEGAL	66,718	-	66,718
Victims of Crime Assistance (EJ)	16.575	18-2228VOCA-EJ	13,467	-	13,467
Victims of Crime Assistance (EJ)	16.575	19-2228VOCA-EJ	42,617	-	42,617
Subtotal STOP Violence Against Women program			<u>368,362</u>	<u>-</u>	<u>368,362</u>
Total U.S. Department of Justice pass through programs			<u>617,503</u>	<u>-</u>	<u>617,503</u>
Total			<u>\$ 1,097,165</u>	<u>\$ 249,787</u>	<u>\$ 1,346,952</u>

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - JUNE 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards, wherein certain type of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The Shelter has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

ROGERS WOOD HILL STARMAN & GUSTASON

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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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Shelter for Abused Women & Children, Inc.
Naples, Florida

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 Shelter for Abused Women & Children, Inc. (a nonprofit organization), which comprise of the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 17, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Shelter for Abused Women & Children, 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 Shelter for Abused Women & Children, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Shelter for Abused Women & Children 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 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 Shelter for Abused Women & Children, 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.

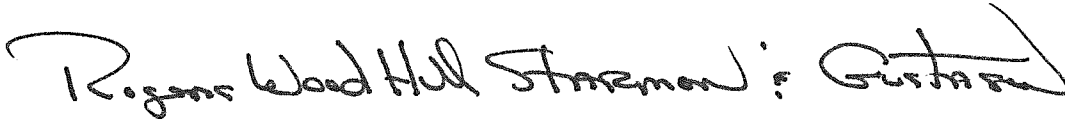
The Shelter for Abused Women & Children, Inc.
Page Two

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, continued

INDEPENDENT AUDITOR'S REPORT, continued

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.

A handwritten signature in black ink that reads "Rogers Wood Hill Starman & Gustason". The signature is written in a cursive, flowing style.

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants & Advisors
Naples, Florida
January 17, 2020

ROGERS WOOD HILL STARMAN & GUSTASON

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Shelter for Abused Women & Children, Inc.
Naples, Florida

Report on Compliance for Each Major Federal Program

We have audited The Shelter for Abused Women & Children, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of The Shelter for Abused Women & Children, Inc.'s major federal programs for the year ended June 30, 2019. The Shelter for Abused Women & Children, Inc.'s major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Shelter for Abused Women & Children Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Shelter for Abused Women & Children, 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 on compliance for each major federal program. However, our audit does not provide a legal determination of The Shelter for Abused Women & Children, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, The Shelter for Abused Women & Children, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, Continued

INDEPENDENT AUDITOR'S REPORT, continued

Report on Internal Control over Compliance

Management of The Shelter for Abused Women & Children, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Shelter for Abused Women & Children, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Shelter for Abused Women & Children Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants & Advisors
Naples, Florida
January 17, 2020

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	None reported

Federal Awards

Internal control over major programs:

Material weakness identified	None reported
Significant deficiencies identified that are not considered to be material weaknesses?	None noted
Type of auditor's report issued on compliance major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule	No

Identification of Major Programs:

Two federal programs or clusters were treated as major programs:

	<u>CFDA No.</u>	<u>Amount</u>
STOP Violence Against Women Linguistically and Culturally	16.016	\$ 134,157
Temporary Assistance for Needy Families	93.558	\$ 141,673

Dollar threshold used to distinguish between federal governmental assistance Type A and Type B programs:	\$ 750,000
--	------------

Auditee qualified as low-risk auditee?	Yes
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SECTION II - FINANCIAL STATEMENTS FINDINGS

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

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
YEAR ENDED JUNE 30, 2019

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

- I. There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

FINDINGS - FINANCIAL STATEMENT AUDIT

No findings were noted in the 2018 audit.