

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

# ROGERS WOOD HILL STARMAN & GUSTASON

PROFESSIONAL ASSOCIATION

## CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

2375 TAMIAMI TRAIL NORTH, SUITE 110  
NAPLES, FLORIDA 34103

RONALD W. GUSTASON, C.P.A.  
SHARON A. BELCHER, C.P.A.  
SCOT A. SHEPARD, C.P.A.  
SEAN M. NOLAN, C.P.A.  
QIONG (KIM) CHEN, C.P.A.  
LAURA L. GELMAN  
THOMAS J. GANO, C.P.A.

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

OFFICES:  
NAPLES 262-1040  
MARCO ISLAND 394-7502

### INDEPENDENT AUDITOR'S REPORT

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

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of The Shelter for Abused Women & Children, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Shelter for Abused Women & Children, Inc. as of June 30, 2022, 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.

##### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Shelter for Abused Women & Children, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Shelter for Abused Women & Children, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

##### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

INDEPENDENT AUDITOR'S REPORT, continued

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Shelter for Abused Women & Children, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Shelter for Abused Women & Children, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary 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 and state financial assistance, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

INDEPENDENT AUDITOR'S REPORT, continued

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our reports dated March 4, 2023, 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  
March 4, 2023

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

**TABLE OF CONTENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

Independent Auditor's Report	1-3
Financial Statements -	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-17
Schedule of Expenditures of Federal Awards and State Financial Assistance	18
Notes to Schedule of Expenditures of Federal Awards	19
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	20-21
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	22-24
Schedule of Findings and Questioned Costs	25-26
Summary Schedule of Prior Audit Findings	27

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(With Comparative Totals for 2021)

ASSETS

	2022				Totals	
	Without Donor Restrictions		With Donor Restrictions		2022	2021
	Undesignated	Designated	Purpose and Time Restrictions	Perpetual in Nature		
Cash and cash equivalents	\$ 515,528	\$ -	\$ -	\$ -	\$ 515,528	\$ 357,114
Investments - Note 4	2,463,249	24,895,998	2,302,442	3,384,831	33,046,520	33,170,503
Investments - other	139,813	451,194	-	-	591,007	555,288
Grants receivable	1,611,739	-	-	-	1,611,739	1,549,629
Pledges receivable - Note 7	2,536,905	-	5,000	180,180	2,722,085	1,356,906
Other grant and contribution receivables	25,000	14,815	-	-	39,815	95,533
Prepaid expenses	49,872	-	-	-	49,872	122,086
Inventory - resale store and special event	335,880	-	-	-	335,880	320,319
Property and equipment, net - Note 8	-	15,819,727	-	-	15,819,727	15,883,181
Total assets	\$ 7,677,986	\$ 41,181,734	\$ 2,307,442	\$ 3,565,011	\$ 54,732,173	\$ 53,410,559

LIABILITIES AND NET ASSETS

Accounts payable	\$ 85,306	\$ -	\$ -	\$ -	\$ 85,306	\$ 71,041
Accrued expenses	873,044	-	-	-	873,044	774,891
Prepaid ticket sales and deposits held	725,913	-	-	-	725,913	600,063
Long-term debt - Note 9	18,000	-	-	-	18,000	27,000
Total liabilities	1,702,263	-	-	-	1,702,263	1,472,995
Net assets:						
<u>Without Donor Restrictions</u>						
Designated as endowment fund - Note 14	-	24,267,290	-	-	24,267,290	24,958,820
Designated for property and equipment	-	15,819,728	-	-	15,819,728	15,883,180
Designated for capital purchases	-	1,094,716	-	-	1,094,716	1,094,716
Undesignated	5,975,723	-	-	-	5,975,723	4,114,804
Total liabilities and net assets	5,975,723	41,181,734	-	-	47,157,457	46,051,520
<u>With Donor Restrictions</u>						
Purpose and time restrictions - Note 13	-	-	2,307,442	-	2,307,442	2,496,213
Perpetual in nature - Note 13 and Note 15	-	-	-	3,565,011	3,565,011	3,389,831
Total net assets	5,975,723	41,181,734	2,307,442	3,565,011	53,029,910	51,937,564
Total liabilities and net assets	\$ 7,677,986	\$ 41,181,734	\$ 2,307,442	\$ 3,565,011	\$ 54,732,173	\$ 53,410,559

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

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022  
(With Comparative Totals for 2021)

	2022				Totals	
	Without Donor Restrictions		With Donor Restrictions		2022	2021
	Undesignated	Designated	Purpose and Time Restrictions	Perpetual in Nature		
REVENUES:						
Support from governmental units	\$ 3,671,421	\$ -	\$ -	\$ -	\$ 3,671,421	\$ 2,769,900
United Way of Collier County	20,000	-	-	-	20,000	15,000
Transitional housing rents	33,870	-	-	-	33,870	31,218
Other public support	2,646,378	-	2,788,920	175,180	5,610,478	4,109,285
In-kind food and household item contributions	515,268	-	-	-	515,268	322,967
Goods contributed - Resale store	380,896	-	-	-	380,896	-
Resale store revenue	1,404,377	-	-	-	1,404,377	1,293,737
Less cost of goods sold	(380,896)	-	-	-	(380,896)	-
Fund raising events - Note 19	2,228,653	-	-	-	2,228,653	1,051,713
Investment return - Note 6	(173,375)	(3,484,592)	(481,478)	-	(4,139,445)	6,660,071
Total revenues	10,346,592	(3,484,592)	2,307,442	175,180	9,344,622	16,253,891
Net assets released from restrictions	(233,397)	2,729,610	(2,496,213)	-	-	-
Total revenues and net assets released from restrictions	10,113,195	(754,982)	(188,771)	175,180	9,344,622	16,253,891
FUNCTIONAL EXPENSES AND RESALE STORE EXPENSES:						
Program services	6,484,079	-	-	-	6,484,079	5,916,048
Supporting services	1,404,298	-	-	-	1,404,298	1,115,677
Total functional expenses	7,888,377	-	-	-	7,888,377	7,031,725
Resale store expenses	363,899	-	-	-	363,899	339,633
Total functional and resale store expenses	8,252,276	-	-	-	8,252,276	7,371,358
INCREASE (DECREASE) IN NET ASSETS	1,860,919	(754,982)	(188,771)	175,180	1,092,346	8,882,533
NET ASSETS - BEGINNING OF YEAR	4,114,804	41,936,716	2,496,213	3,389,831	51,937,564	43,055,031
NET ASSETS - END OF YEAR	\$ 5,975,723	\$ 41,181,734	\$ 2,307,442	\$ 3,565,011	\$ 53,029,910	\$ 51,937,564

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

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Program Services</u>	<u>Fund Raising</u>	<u>Administrative</u>	
Salaries and wages	\$ 3,357,949	\$ 415,310	\$ 193,541	\$ 3,966,800
Payroll taxes and employee benefits	826,051	82,432	40,996	949,479
Total salaries and related expenses	<u>4,184,000</u>	<u>497,742</u>	<u>234,537</u>	<u>4,916,279</u>
Advertising	1,960	708	-	2,668
Books, tapes, and subscriptions	8,678	1,245	1,082	11,005
Client assistance and community education	209,916	2,309	25	212,250
Client assistance - in kind	515,268	-	-	515,268
Dues and membership fees	7,736	985	649	9,370
Insurance	168,011	11,289	9,569	188,869
Miscellaneous	17,275	15,968	2,504	35,747
Postage and printing	15,079	2,674	1,453	19,206
Professional services	91,043	10,471	7,604	109,118
Rent	2,177	327	-	2,504
Repairs and maintenance	306,940	14,763	11,503	333,206
Supplies	44,916	18,478	5,031	68,425
Telephone	61,477	5,777	3,758	71,012
Training and recruiting	16,242	3,715	443	20,400
Travel	10,050	3,886	2,073	16,009
Trucking	21,425	-	-	21,425
Utilities	127,236	6,574	4,859	138,669
Volunteer/staff development	31,592	4,388	2,543	38,523
Uncollectible pledges/bad debt	17,019	-	1,141	18,160
(Gain)/loss on disposal of asset	(26,374)	-	-	(26,374)
Depreciation	<u>652,413</u>	<u>1,826</u>	<u>854</u>	<u>655,093</u>
Sub-total	<u>6,484,079</u>	<u>603,125</u>	<u>289,628</u>	<u>7,376,832</u>
Special events fund raising expenses	-	511,545	-	511,545
Total expenses	<u>\$ 6,484,079</u>	<u>\$ 1,114,670</u>	<u>\$ 289,628</u>	<u>\$ 7,888,377</u>



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

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022  
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from government units	\$ 3,665,029	\$ 2,404,879
Cash received from United Way of Collier County	20,000	15,000
Cash received from other public support	4,619,257	2,728,988
Cash received from resale store	1,404,377	1,293,737
Cash received from fund raising	2,353,603	1,328,909
Interest/ dividends received	555,650	448,719
Investment fees paid	(75,669)	(63,607)
Cash paid to suppliers and employees	<u>(7,396,249)</u>	<u>(6,518,320)</u>
Net cash provided by operating activities	<u>5,145,998</u>	<u>1,638,305</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(11,665,733)	(5,453,349)
Proceeds from sale of investments	7,170,293	3,557,678
Purchases of property and equipment	<u>(622,606)</u>	<u>(513,178)</u>
Net cash used by investing activities	<u>(5,118,046)</u>	<u>(2,408,849)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions received for donor-restricted endowment	175,180	243,760
Contributions received for board designated endowment	-	260,233
Investments held for deferred compensation	(35,718)	(84,582)
Payments of long-term debt	<u>(9,000)</u>	<u>(9,000)</u>
Net cash provided by financing activities	<u>130,462</u>	<u>410,411</u>
NET INCREASE (DECREASE) IN CASH	158,414	(360,133)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>357,114</u>	<u>717,247</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 515,528</u>	<u>\$ 357,114</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 1,092,346	\$ 8,865,785
Depreciation	686,056	645,964
Realized/unrealized (gain) loss on investments	4,619,426	(6,274,875)
Contributions received for donor-restricted endowment	(175,180)	(243,760)
Contributions received for board designated endowment	-	(260,233)
Changes in assets and liabilities -		
Grants and pledges receivable	(1,371,571)	(1,579,099)
Prepaid expenses	72,214	23,884
Inventory	(15,561)	(43,637)
Accounts payable and accrued expenses	<u>238,268</u>	<u>504,276</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 5,145,998</u>	<u>\$ 1,638,305</u>

# THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

## NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

(With Selected Information for 2021)

### 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 and human trafficking in Collier County, Florida.

The Shelter operates a 24-hour Crisis Line, two 60-bed emergency shelters in Naples and Immokalee as well as nine transitional living cottages in Naples. All in-house and outreach programs and services, training and education are provided free of charge.

### 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, 2022 and 2021, 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.

# THE SHELTER FOR ABUSED WOMEN & CHILDREN, INC.

## NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

(With Selected Information for 2021)

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

#### 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.

#### 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.

#### 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.

#### Comparative Financial Statements

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, 2021, from which the summarized information was derived.

#### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

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

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

(With Selected Information for 2021)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

Recently Issued Accounting Pronouncements

Lease Accounting

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases. It will require that lessees record nearly all leases on the statement of financial position. This will increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing information about leasing arrangements. It is effective for fiscal years beginning after December 15, 2021. The Shelter is currently evaluating the guidance to determine the impact the standard will have on the financial statements.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Shelter routinely monitors liquidity to meet its operating needs and other contractual commitments. 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	\$ 38,912,446
Donor restricted endowment funds	<u>(3,565,011)</u>
Funds available within one year including board designated funds	35,347,435
Less those unavailable for general expenditures within one year, due to board restrictions subject to change:	
Board designated for capital purchases	(1,094,716)
Board designated for endowment fund	<u>(24,267,290)</u>
Funds available within one year for general expenditures	<u>\$ 9,985,429</u>

NOTE 4 - INVESTMENTS

	<u>Cost</u> 2022	<u>Fair Market Value</u> 2022
Investments consist of the following:		
Money market accounts	\$ 3,312,800	\$ 3,315,937
Equity securities	16,233,632	19,554,467
Fixed income securities	10,514,984	10,046,697
Other	<u>82,803</u>	<u>129,419</u>
Total investments	30,144,219	33,046,520
Less: investments with purpose restrictions	2,302,441	2,302,442
Less: investments perpetual in nature	<u>3,384,831</u>	<u>3,384,831</u>
Investments without restrictions	<u>\$ 24,456,947</u>	<u>\$ 27,359,247</u>

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

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**(With Selected Information for 2021)**

**NOTE 4 - INVESTMENTS - continued**

	<u>Cost</u> <u>2021</u>	<u>Fair Market Value</u> <u>2021</u>
Investments consist of the following:		
Money market accounts	\$ 3,233,536	\$ 3,236,594
Equity securities	9,737,393	21,764,865
Fixed income securities	9,980,054	8,077,204
Other	91,839	91,840
	<u>23,042,822</u>	<u>33,170,503</u>
Less: investments with purpose restrictions	2,407,360	2,407,360
Less: investments perpetual in nature	3,314,821	3,314,821
Investments without restrictions	<u>\$ 17,320,641</u>	<u>\$ 27,448,322</u>

**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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income securities	\$ -	\$ 10,046,697	\$ -
Equity securities	19,554,467	-	-
Cash equivalents	3,315,937	-	-
Other	-	-	129,419
	<u>\$22,870,404</u>	<u>\$10,046,697</u>	<u>\$ 129,419</u>

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

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**(With Selected Information for 2021)**

**NOTE 6 - INVESTMENT RETURN**

Investment return is comprised of the following:

	<u>2022</u>	<u>2021</u>
Endowment fund:		
Interest and dividends	\$ 452,459	\$ 445,838
Net investment gains (losses)	<u>(3,581,875)</u>	<u>6,202,175</u>
Investment return from endowment fund	<u>(3,129,416)</u>	<u>6,648,013</u>
All other sources:		
Interest, dividends and net investment loss	<u>(934,360)</u>	<u>75,665</u>
Investment return from all other sources	<u>(934,360)</u>	<u>75,665</u>
Investment fees	<u>(75,669)</u>	<u>(63,607)</u>
Total investment return	<u><u>\$ (4,139,445)</u></u>	<u><u>\$ 6,660,071</u></u>

**NOTE 7 - PLEDGES RECEIVABLE**

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

<u>Year ending June 30</u>	<u>Fundraising Campaigns</u>	<u>Endowment</u>	<u>Total</u>
2023	\$ 129,427	\$ 25,000	\$ 154,427
2024	671,822	25,000	696,822
2025	702,000	-	702,000
2026 - 2027	<u>1,229,000</u>	<u>-</u>	<u>1,229,000</u>
	2,732,249	50,000	2,782,249
Less: unamortized discount	<u>60,164</u>	<u>-</u>	<u>60,164</u>
Total	<u><u>\$ 2,672,085</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 2,722,085</u></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>2022</u>	<u>2021</u>
Land	\$ 2,164,688	\$ 2,164,688
Building	17,245,148	17,064,937
Leasehold improvements	64,246	64,246
Transportation equipment	154,933	154,933
Furniture and equipment	2,066,908	1,803,671
Construction in progress	<u>259,961</u>	<u>80,805</u>
	21,955,884	21,333,280
Less: accumulated depreciation	<u>6,136,157</u>	<u>5,450,100</u>
Total	<u><u>\$ 15,819,727</u></u>	<u><u>\$ 15,883,181</u></u>

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

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**(With Selected Information for 2021)**

**NOTE 9 - LONG-TERM DEBT**

	<u>2022</u>	<u>2021</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>\$ 18,000</u>	<u>\$ 27,000</u>
Future maturities of long-term debt at June 30, 2022 are as follows:		
Year ending June 30,		
2023	\$ 9,000	
2024	<u>9,000</u>	
	<u>\$ 18,000</u>	

**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 \$118,802, 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 fiscal year 2023.

**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 2021, 2020 and 2019 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, 2022.

**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 \$87,799 and \$76,314 to the plan during the years 2022 and 2021, respectively.

**NOTE 13 - 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 to the Beau Venturi House, other capital purchases, and for an endowment fund. All of the designated funds are increased/(decreased) by the investment return.

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

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**(With Selected Information for 2021)**

**NOTE 13 - NET ASSETS - continued**

**With Donor Purpose Restrictions**

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

	<u>2022</u>	<u>2021</u>
Immokalee Emergency Shelter Building Fund	\$ 593,480	\$ 441,902
Children's Programming	358,497	199,611
Transitional Living - Operating	40,895	37,662
Other temporarily restricted funds	<u>1,314,570</u>	<u>1,817,038</u>
	<u>\$ 2,307,442</u>	<u>\$ 2,496,213</u>

**NOTE 14 - 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.

As a general rule, 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, which can be changed at any time. 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, 2022, were as follows:

Board-designated endowment net assets, beginning of year	\$ 24,958,820
Board designated bequests	2,800,000
Investment income (loss)	(3,427,700)
Investment fees	<u>(63,830)</u>
Board-designated endowment net assets, end of year	<u>\$ 24,267,290</u>

**NOTE 15 - 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 SHELTER FOR ABUSED WOMEN & CHILDREN, INC.**

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**(With Selected Information for 2021)**

**NOTE 15 - DONOR RESTRICTED ENDOWMENT FUND - continued**

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.

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, 2022 were as follows:

	<u>Endowment</u>	<u>Kennel Fund</u>	<u>Total</u>
Donor-restricted endowment, beginning of year	\$ 3,314,831	\$ 75,000	\$ 3,389,831
Endowment contributions	150,180	25,000	175,180
Donor-restricted endowment, end of year	<u>\$ 3,465,011</u>	<u>\$ 100,000</u>	<u>\$ 3,565,011</u>

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

**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022**

**(With Selected Information for 2021)**

**NOTE 16 - 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.

**NOTE 17 - 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 \$486,000 and \$418,000, as of June 30, 2022 and 2021, respectively.

**NOTE 18 - FUND RAISING EVENTS, NET**

Fund raising events revenue and expenses consist of the following:

	<u>2022</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Net Total</u>
Annual appeal	\$ 29,820	\$ -	\$ 29,820
Mending Broken Hearts with Hope Luncheon	949,370	(281,325)	668,045
Bags & Bow Ties	890,229	(166,506)	723,723
Men's tailgate	305,407	(41,833)	263,574
Other	53,827	(21,881)	31,946
Net total	<u>\$ 2,228,653</u>	<u>\$ (511,545)</u>	<u>\$ 1,717,108</u>
	<u>2021</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Net Total</u>
Annual appeal	\$ 55,955	\$ (7,066)	\$ 48,889
Mending Broken Hearts with Hope Luncheon	665,632	(72,624)	593,008
Bags & Bow Ties	15,571	(28,488)	(12,917)
Men's tailgate	230,883	(10,997)	219,886
Other	83,672	(5,937)	77,735
Net total	<u>\$ 1,051,713</u>	<u>\$ (125,112)</u>	<u>\$ 926,601</u>

**NOTE 19 - IN-KIND CONTRIBUTIONS**

The Shelter receives donated goods for sale from the community to assist in the Shelter's program services. These donated goods are recorded in support in the accompanying financial statements based on the costs associated with selling the donated material. During the year ended June 30, 2022, the Shelter received \$380,896 in goods sold in the thrift store.

The Shelter also received contributed items such as food and household goods including clothing that are used to support The Shelter's program services. The approximate value of these items at year ended June 30, 2022 was \$515,000.

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

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

(With Selected Information for 2021)

NOTE 20 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 4, 2023, the date the financial statements were available to be issued.

On September 28, 2022, Hurricane Ian hit Southwest Florida causing severe flooding in many communities. The Shelter anticipates that the extensive damage to homes and business throughout the region may have a negative impact on the area. The affect of such impact cannot be determined at this time. The Shelter continues to operate in accordance with it's mission.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2022

	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	LN162	\$ 146,484	\$ -	\$ 146,484
Family Violence Prevention Services	93.671	LN162	111,529	-	111,529
Domestic Violence Program	60.134	LN162	-	132,046	132,046
Child Abuse Domestic Violence Training	60.139	LN162	-	135,000	135,000
Family Violence Prevention-ARP CARES Program	93.671	LN162 & ARP CARES	27,047	-	27,047
Total U.S. Department of Health & Human Services pass-through programs			<u>285,060</u>	<u>267,046</u>	<u>552,106</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	14,204	-	14,204
Total U.S. Department of Homeland Security & Emergency Food & Shelter pass through programs			<u>14,204</u>	<u>-</u>	<u>14,204</u>
United States Department of Housing and Urban Development -					
Florida Department of Children & Families -					
Collier County, Florida -					
Homeless Assistance Challenge Grant	60.021	HP17A	-	63,050	63,050
Subtotal Homeless Assistance Challenge Grant			<u>-</u>	<u>63,050</u>	<u>63,050</u>
Supportive Housing Program - COC	14.267	FL0295L4D062013	40,940	-	40,940
Supportive Housing Program - COC	14.267	FL0826L4D061900	47,916	-	47,916
Supportive Housing Program - COC	14.267	FL0826L4D062001	89,710	-	89,710
Subtotal Supportive Housing program			<u>178,566</u>	<u>-</u>	<u>178,566</u>
Community Development Block Grant	14.218	B-21-UC-12-0016	64,454	-	64,454
Subtotal Community Development Block Grant			<u>64,454</u>	<u>-</u>	<u>64,454</u>
Essential Services & Operating Grant	14.231	E-20-UC-120016	9,145	-	9,145
Essential Services & Operating Grant	14.231	E-21-UC-120016	88,206	-	88,206
Essential Services & Operating - COVID-19 (ESG-CV)	14.231	E-20-UW-12-0016	1,493,386	-	1,493,386
Subtotal Essential Services & Operating Grant			<u>1,590,737</u>	<u>-</u>	<u>1,590,737</u>
Total U.S. Department of Housing & Urban Development pass through programs			<u>1,833,757</u>	<u>63,050</u>	<u>1,896,807</u>
United States Department of Justice -					
Florida Office of the Attorney General -					
Victims of Crime Assistance	16.575	VOCA-2020 Wo-00683	606,415	-	606,415
Victims of Crime Assistance	16.575	VOCA-2020 Wo-00790	601,889	-	601,889
Total U.S. Department of Justice pass through programs			<u>1,208,304</u>	<u>-</u>	<u>1,208,304</u>
Total			<u>\$ 3,341,325</u>	<u>\$ 330,096</u>	<u>\$ 3,671,421</u>



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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 Shelter, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Shelter.

**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 (Uniform Guidance), 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

PROFESSIONAL ASSOCIATION

## CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

2375 TAMiami TRAIL NORTH, SUITE 110

NAPLES, FLORIDA 34103

RONALD W. GUSTASON, C.P.A.  
SHARON A. BELCHER, C.P.A.  
SCOT A. SHEPARD, C.P.A.  
SEAN M. NOLAN, C.P.A.  
QIONG (KIM) CHEN, C.P.A.  
LAURA L. GELMAN, E.A.  
THOMAS J. GANO, C.P.A.

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

OFFICES:  
NAPLES 262-1040  
MARCO ISLAND 394-7502

### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors 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, 2022, 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 March 4, 2023.

#### Report on 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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Shelter for Abused Women & Children, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, 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.

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.  
Certified Public Accountants & Advisors  
Naples, Florida  
March 4, 2023



# ROGERS WOOD HILL STARMAN & GUSTASON

PROFESSIONAL ASSOCIATION

## CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

2375 TAMiami TRAIL NORTH, SUITE 110  
NAPLES, FLORIDA 34103

RONALD W. GUSTASON, C.P.A.  
SHARON A. BELCHER, C.P.A.  
SCOT A. SHEPARD, C.P.A.  
SEAN M. NOLAN, C.P.A.  
QIONG (KIM) CHEN, C.P.A.  
LAURA L. GELMAN, E.A.  
THOMAS J. GANO, C.P.A.

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

OFFICES:  
NAPLES 262-1040  
MARCO ISLAND 394-7502

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

#### Report on Compliance for Each Major Federal Program

#### Opinion on Each Major Federal Program

We have audited The Shelter for Abused Women & Children, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion The Shelter for Abused Women & Children, Inc.'s 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, 2022.

#### Basis for Opinion of Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Shelter for Abused Women & Children, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Shelter for Abused Women & Children, Inc.'s compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Shelter for Abused Women & Children, Inc.'s federal programs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, continued

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Shelter for Abused Women & Children, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Shelter for Abused Women & Children, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Shelter for Abused Women & Children, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Shelter for Abused Women & Children, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Shelter for Abused Women & Children, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, continued

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

March 4, 2023

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022

**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(es) identified	None reported
Significant deficiency(ies) 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:

One federal program or cluster was treated as a major program:

	<u>CFDA No.</u>	<u>Amount</u>
Essential Services and Operating Grant	14.231	\$ 1,590,737
Dollar threshold used to distinguish between federal governmental assistance Type A and Type B programs:		\$ 750,000
Auditee qualified as low-risk auditee?		Yes

**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, 2022

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

1. 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, 2022

FINDINGS - FINANCIAL STATEMENT AUDIT

No findings were noted in the 2021 audit.