

ABUSE COUNSELING AND TREATMENT, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION TOGETHER WITH
REPORTS OF INDEPENDENT AUDITOR**

**YEARS ENDED
JUNE 30, 2023 AND 2022**

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& Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Abuse Counseling and Treatment, Inc.

P.O. Box 60401

Fort Myers, Florida 33906

Opinion

We have audited the accompanying financial statements of Abuse Counseling and Treatment, Inc. (a Florida not-for-profit corporation) ("ACT"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of Abuse Counseling and Treatment, Inc. as of June 30, 2023 and 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 the auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. 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 Abuse Counseling and Treatment, 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 opinion.

Management's Responsibilities 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 the financial statements that are free from

INTEGRITY SERVICE EXPERIENCE

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 Abuse Counseling and Treatment, 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.

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 Abuse Counseling and Treatment, 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 Abuse Counseling and Treatment, 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.

Other Matters

Supplementary Information

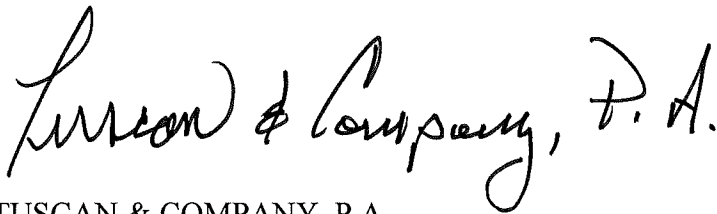
Our audit was conducted for the purpose of forming an opinion on the financial statements of Abuse Counseling and Treatment, Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended June 30, 2023 and the Notes thereto are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", the Florida Single Audit Act (Florida Statute 215.97), Florida Auditor General Rule 10.650 and are 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 accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended June 30, 2023 and the Notes thereto are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

The Exhibit - Management's Response to Independent Auditor's Report to Management, is not a required part of the financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2023, on our consideration of Abuse Counseling and Treatment, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Abuse Counseling and Treatment, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Abuse Counseling and Treatment, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Tuscán & Company, P.A." The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
December 6, 2023

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

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	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents including restricted cash	\$ 1,559,184	\$ 1,499,450
Grants receivable	415,397	381,031
Accounts receivable	32,270	30,349
Prepaid expenses	88,200	94,843
Other assets	<u>2,592</u>	<u>2,536</u>
TOTAL CURRENT ASSETS	2,097,643	2,008,209
PROPERTY AND EQUIPMENT, NET	4,482,387	4,503,763
DEPOSITS	<u>735</u>	<u>10,908</u>
TOTAL ASSETS	<u>\$ 6,580,765</u>	<u>\$ 6,522,880</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 48,780	\$ 58,477
Other liabilities - payroll and other	108,875	83,315
Unearned (deferred) revenue	79,576	83,927
Compensated absences	124,655	125,333
Line of credit	-	-
Mortgages and note payable - current portion	<u>97,849</u>	<u>93,656</u>
TOTAL CURRENT LIABILITIES	459,735	444,708
LONG-TERM LIABILITIES		
Mortgages and note payable - net of current portion	<u>2,256,935</u>	<u>2,354,830</u>
TOTAL LIABILITIES	<u>2,716,670</u>	<u>2,799,538</u>
NET ASSETS		
Without donor restrictions	<u>3,864,095</u>	<u>3,723,342</u>
TOTAL NET ASSETS	<u>3,864,095</u>	<u>3,723,342</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,580,765</u>	<u>\$ 6,522,880</u>

The accompanying notes are an integral part of this statement.

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
	Without donor restrictions	Without donor restrictions
CHANGES IN NET ASSETS		
REVENUES AND SUPPORT		
Gross proceeds from special events		
Arts for ACT fundraiser	\$ 174,829	\$ 114,629
Miscellaneous	-	1,285
Less: cost of direct benefits to donors	<u>(72,243)</u>	<u>(18,882)</u>
Net proceeds from special events	102,586	97,032
Federal grants	2,033,495	2,046,052
State grants	768,422	613,522
Lee County grants	349,164	339,594
United Way	371,850	352,950
Other local grants	28,654	46,240
Contributions	1,116,829	824,242
Intervention program	179,553	162,815
Contracts	91,650	108,500
Second ACT thrift store including in-kind	706,235	827,512
Arts for ACT Gallery including in-kind	47,719	270,274
In-kind	28,180	32,215
Other	<u>142,724</u>	<u>325,492</u>
TOTAL REVENUES AND SUPPORT	<u>5,967,061</u>	<u>6,046,440</u>
EXPENSES		
Program services	5,620,354	5,178,300
Supporting services		
General and administrative	141,475	117,778
Fundraising	<u>64,479</u>	<u>63,407</u>
TOTAL EXPENSES	<u>5,826,308</u>	<u>5,359,485</u>
INCREASE (DECREASE) IN NET ASSETS	140,753	686,955
NET ASSETS - BEGINNING OF YEAR	<u>3,723,342</u>	<u>3,036,387</u>
NET ASSETS - END OF YEAR	<u>\$ 3,864,095</u>	<u>\$ 3,723,342</u>

The accompanying notes are an integral part of this statement.

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2023

	Program Services					
	Lee County			Hendry/Glades County		
	Domestic Violence Services Shelter	Domestic Violence Services Outreach	Sexual Assault Services	Domestic Violence Services Shelter	Domestic Violence Services Outreach	Sexual Assault Services
Personnel expenses						
Salaries	\$ 1,200,090	\$ 898,748	\$ 359,240	\$ 381,970	\$ 135,753	\$ 108,234
Payroll taxes	90,275	65,833	26,180	27,286	11,219	8,172
Employee benefits	81,795	88,577	37,615	32,742	11,818	13,375
Total personnel	<u>1,372,160</u>	<u>1,053,158</u>	<u>423,035</u>	<u>441,998</u>	<u>158,790</u>	<u>129,781</u>
Operating expenses						
Cost of sales	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-
Insurance	35,881	30,106	5,819	7,758	3,879	3,879
Other expenses	67,357	42,451	12,327	14,751	1,288	131
Printing and public relations	3,708	15,412	8,215	49	14	24
Professional fees	5,060	5,037	70,465	1,068	534	534
Rent	8,149	86	-	-	-	-
Repairs and maintenance	102,158	31,813	14,455	20,383	3,717	3,717
Supplies	74,977	14,905	4,975	17,344	712	1,313
Training and travel	25,757	7,907	5,736	16,250	1,974	2,187
Utilities	82,156	5,028	2,199	20,014	1,813	804
Total operating	<u>405,203</u>	<u>152,745</u>	<u>124,191</u>	<u>97,617</u>	<u>13,931</u>	<u>12,589</u>
Total expenses before depreciation and loss on disposition of fixed assets	1,777,363	1,205,903	547,226	539,615	172,721	142,370
Loss on disposition of fixed assets	20,055	-	-	480	-	-
Depreciation	<u>82,536</u>	<u>37,141</u>	<u>6,190</u>	<u>22,698</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 1,879,954</u>	<u>\$ 1,243,044</u>	<u>\$ 553,416</u>	<u>\$ 562,793</u>	<u>\$ 172,721</u>	<u>\$ 142,370</u>

The accompanying notes are an integral part of this statement.

Agency-Wide				Supporting Services				2023 Total
Intervention Services	Second ACT	Gallery	Total Program	General and Admin.	Fundraising	Total Supporting		
\$ 106,987	\$ 145,232	\$ 45,668	\$ 3,381,922	\$ 41,971	\$ 36,909	\$ 78,880	\$ 3,460,802	
7,833	10,925	3,448	251,171	3,416	2,737	6,153	257,324	
12,117	12,542	2,236	292,817	1,717	2,240	3,957	296,774	
<u>126,937</u>	<u>168,699</u>	<u>51,352</u>	<u>3,925,910</u>	<u>47,104</u>	<u>41,886</u>	<u>88,990</u>	<u>4,014,900</u>	
-	348,956	24,456	373,412	-	-	-	373,412	
-	-	-	-	-	21,382	21,382	21,382	
2,909	4,849	843	95,923	9,768	485	10,253	106,176	
5,107	109,406	3,903	256,721	9,719	16	9,735	266,456	
87	2,773	1,391	31,673	302	3	305	31,978	
34,296	668	67	117,729	14,337	67	14,404	132,133	
1,500	-	47,648	57,383	-	-	-	57,383	
3,234	28,367	10,253	218,097	15,962	535	16,497	234,594	
527	3,316	815	118,884	24,719	88	24,807	143,691	
1,527	68	585	61,991	3,083	-	3,083	65,074	
555	27,447	1,930	141,946	6,791	17	6,808	148,754	
<u>49,742</u>	<u>525,850</u>	<u>91,891</u>	<u>1,473,759</u>	<u>84,681</u>	<u>22,593</u>	<u>107,274</u>	<u>1,581,033</u>	
176,679	694,549	143,243	5,399,669	131,785	64,479	196,264	5,595,933	
-	-	-	20,535	3,498	-	3,498	24,033	
-	51,585	-	200,150	6,192	-	6,192	206,342	
<u>\$ 176,679</u>	<u>\$ 746,134</u>	<u>\$ 143,243</u>	<u>\$ 5,620,354</u>	<u>\$ 141,475</u>	<u>\$ 64,479</u>	<u>\$ 205,954</u>	<u>\$ 5,826,308</u>	

The accompanying notes are an integral part of this statement.

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2022

	Program Services					
	Lee County			Hendry/Glades County		
	Domestic Violence Services		Sexual Assault Services	Domestic Violence Services		Sexual Assault Services
	Shelter	Outreach		Shelter	Outreach	
Personnel expenses						
Salaries	\$ 1,101,411	\$ 787,954	\$ 376,506	\$ 305,005	\$ 109,930	\$ 81,768
Payroll taxes	82,154	58,657	27,264	22,643	8,357	6,657
Employee benefits	82,039	62,550	39,797	25,951	8,047	9,665
Total personnel	<u>1,265,604</u>	<u>909,161</u>	<u>443,567</u>	<u>353,599</u>	<u>126,334</u>	<u>98,090</u>
Operating expenses						
Cost of sales	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-
Insurance	29,837	27,052	4,838	6,451	3,226	3,226
Other expenses	66,300	22,471	19,870	16,775	558	401
Printing and public relations	7,483	9,349	827	325	-	30
Professional fees	8,399	37,554	58,848	1,816	908	908
Rent	-	-	-	-	-	-
Repairs and maintenance	66,438	22,883	7,686	18,683	3,238	2,563
Supplies	42,269	11,725	9,508	8,554	1,052	2,127
Training and travel	11,480	3,840	7,602	14,048	379	2,289
Utilities	<u>64,758</u>	<u>6,359</u>	<u>4,150</u>	<u>17,469</u>	<u>1,960</u>	<u>746</u>
Total operating	<u>296,964</u>	<u>141,233</u>	<u>113,329</u>	<u>84,121</u>	<u>11,321</u>	<u>12,290</u>
Total expenses before depreciation and loss on disposition of fixed assets	1,562,568	1,050,394	556,896	437,720	137,655	110,380
Loss on disposition of fixed assets	1,967	-	-	-	-	-
Depreciation	<u>79,354</u>	<u>35,709</u>	<u>5,952</u>	<u>21,822</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 1,643,889</u>	<u>\$ 1,086,103</u>	<u>\$ 562,848</u>	<u>\$ 459,542</u>	<u>\$ 137,655</u>	<u>\$ 110,380</u>

The accompanying notes are an integral part of this statement.

Agency-Wide				Supporting Services			
Intervention Services	Second ACT	Gallery	Total Program	General and Admin.	Fundraising	Total Supporting	2022 Total
\$ 98,527	\$ 118,843	\$ 40,564	\$ 3,020,508	\$ 39,325	\$ 32,228	\$ 71,553	\$ 3,092,061
7,305	8,983	3,082	225,102	3,041	2,429	5,470	230,572
10,541	7,397	1,826	247,813	12,895	1,912	14,807	262,620
<u>116,373</u>	<u>135,223</u>	<u>45,472</u>	<u>3,493,423</u>	<u>55,261</u>	<u>36,569</u>	<u>91,830</u>	<u>3,585,253</u>
-	406,777	143,422	550,199	-	-	-	550,199
-	-	-	-	-	25,424	25,424	25,424
2,419	4,032	406	81,487	8,064	403	8,467	89,954
6,926	116,162	2,292	251,755	8,577	173	8,750	260,505
22	8,671	6,694	33,401	4,709	17	4,726	38,127
31,536	1,135	114	141,218	2,270	114	2,384	143,602
6,000	-	42,427	48,427	116	-	116	48,543
2,135	13,212	363	137,201	8,771	352	9,123	146,324
681	2,911	979	79,806	22,106	292	22,398	102,204
-	-	558	40,196	380	-	380	40,576
<u>1,734</u>	<u>23,333</u>	<u>4,295</u>	<u>124,804</u>	<u>3,556</u>	<u>63</u>	<u>3,619</u>	<u>128,423</u>
<u>51,453</u>	<u>576,233</u>	<u>201,550</u>	<u>1,488,494</u>	<u>58,549</u>	<u>26,838</u>	<u>85,387</u>	<u>1,573,881</u>
167,826	711,456	247,022	4,981,917	113,810	63,407	177,217	5,159,134
-	-	-	1,967	-	-	-	1,967
<u>-</u>	<u>51,579</u>	<u>-</u>	<u>194,416</u>	<u>3,968</u>	<u>-</u>	<u>3,968</u>	<u>198,384</u>
<u>\$ 167,826</u>	<u>\$ 763,035</u>	<u>\$ 247,022</u>	<u>\$ 5,178,300</u>	<u>\$ 117,778</u>	<u>\$ 63,407</u>	<u>\$ 181,185</u>	<u>\$ 5,359,485</u>

The accompanying notes are an integral part of this statement.

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contracts and grants	\$ 3,778,894	\$ 3,540,642
Cash received from donations	1,465,818	1,424,773
Cash received from customers	749,818	1,097,759
Cash payments to suppliers and personnel	(5,524,644)	(5,030,593)
Interest received	4,136	27
Interest paid	<u>(111,587)</u>	<u>(115,960)</u>
NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES	<u>362,435</u>	<u>916,648</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for purchases of property and equipment	<u>(208,999)</u>	<u>(302,809)</u>
NET CASH PROVIDED BY (USED IN)		
INVESTING ACTIVITIES	<u>(208,999)</u>	<u>(302,809)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Line of credit repayments	-	-
Proceeds from mortgages and note payable	-	-
Principal payments on mortgages and note payable	<u>(93,702)</u>	<u>(418,114)</u>
NET CASH PROVIDED BY (USED IN)		
FINANCING ACTIVITIES	<u>(93,702)</u>	<u>(418,114)</u>
Net increase (decrease) in cash and cash equivalents	59,734	195,725
CASH AND CASH EQUIVALENTS - BEGINNING	<u>1,499,450</u>	<u>1,303,725</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,559,184</u>	<u>\$ 1,499,450</u>

The accompanying notes are an integral part of this statement.

**RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	<u>2023</u>	<u>2022</u>
Increase (Decrease) in Net Assets	\$ 140,753	\$ 686,955
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used In) Operating Activities		
Depreciation expense	206,342	198,384
Loss on disposition of property and equipment	24,033	1,967
PPP loan forgiveness	-	(312,932)
(Increase) decrease in grants receivable	(43,898)	183,901
(Increase) decrease in accounts receivable	7,611	42,983
(Increase) decrease in prepaid expenses	6,643	(17,573)
(Increase) decrease in other assets	(56)	995
(Increase) decrease in deposits	10,173	(4,298)
Increase (decrease) in accounts payable and accrued expenses	(9,697)	27,197
Increase (decrease) in other liabilities	25,560	14,597
Increase (decrease) in unearned (deferred) revenue	(4,351)	83,927
Increase (decrease) in compensated absences	<u>(678)</u>	<u>10,545</u>
TOTAL ADJUSTMENTS	<u>221,682</u>	<u>229,693</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 362,435</u>	<u>\$ 916,648</u>

NON-CASH TRANSACTIONS

During the years ended June 30, 2023 and 2022, Abuse Counseling and Treatment, Inc. recognized in-kind contributions of \$28,120 and \$32,215, respectively.

During the year ended June 30, 2023, Abuse Counseling and Treatment, Inc. recognized non-cash revenue and expenses in the Gallery in the amounts of \$16,641 and \$16,641, respectively, and in Second ACT of \$348,956 and \$348,956, respectively, for the year ended June 30, 2023.

During the year ended June 30, 2022, Abuse Counseling and Treatment, Inc. recognized non-cash revenue and expenses in the Gallery in the amounts of \$92,253 and \$92,253, respectively, and in Second ACT of \$406,777 and \$406,777, respectively, for the year ended June 30, 2022.

NOTE 1 - THE ORGANIZATION

Abuse Counseling and Treatment, Inc. (“ACT”) was incorporated on September 12, 1978, under the laws of Florida as a nonprofit organization to eliminate domestic and sexual violence through the provisions of safe shelter, counseling, crisis intervention, education, advocacy and empowerment in Lee, Hendry, and Glades Counties, Florida. ACT also provides services for victims of human trafficking.

In support of its mission, ACT operates a thrift store (“Second ACT” Thrift Store) and art gallery (Arts for ACT “Gallery”). The thrift store receives merchandise donations from the community and is staffed by one paid manager, one assistance manager, part-time staff and volunteers. Donated thrift store items are available to all ACT clients, as needed, and balance of the donations are available for sale to the general public. All proceeds from the thrift store and art gallery are used to support ACT’s services. Additionally, the thrift store provides opportunities for job skills training and education to the clients of ACT.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies used in the preparation of these financial statements.

Reporting Framework

ACT’s financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The accounting and reporting policies of ACT are in accordance with the auditing and accounting standards issued by the American Institute of Certified Public Accountants in its audit guide, “Not-for Profit Organizations,” and the accounting standards issued by the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC).

Revenue Recognition

Revenue from Exchange Transactions: ACT recognizes revenue from these types of transactions in accordance with FASB Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition, (continued)

obligation approach to revenue recognition.

ACT records the following exchange transaction revenue in its statements of activities for the years ended June 30, 2023 and 2022:

Special Event Revenue - ACT conducts special events in which a portion of the proceeds paid by a donor represents payment for the direct cost of the benefits received by the donor at the event - the exchange component, and a portion represents a contribution to ACT. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of the benefit is measured at cost to ACT. The contribution component is the excess of the gross proceeds over the fair value of the benefit received by the donor. The direct costs of the special event are recorded as direct donor benefits in the statements of activities. The performance obligation is the delivery of the event. The event fee is set by ACT. FASB ASU 2014-09 requires ACT allocate the transaction price to the performance obligations. ACT presents the exchange and contribution components of the gross proceeds from current year special events as special events revenue.

Revenue from Non-Exchange Transactions: ACT recognizes revenue from these types of transactions in accordance with FASB ASU 2018-08, clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 applies to non-exchange transactions. ACT records the following non-exchange transaction revenue in its statements of activities for the years ended June 30, 2023 and 2022.

Support from Federal and State grants is recorded based upon the terms of the grantor allotments, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

ACT follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820 "Fair Value Measurements and Disclosures". This Standard prioritized the use of market-based information and established a three-level hierarchy based on transparency of information, such as the pricing source, used in the valuation of the asset or liability. As required by the Standard, assets and liabilities carried at fair value on a recurring basis are classified in one of the following three-level hierarchy categories:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2: Observable inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In-Kind Contributions

In-kind contributions, except items donated for resale in the Arts for ACT Gallery and the Second ACT Thrift Store, are recorded as contributions in the accompanying financial statements at their estimated current value on the date of receipt. The value of items donated for resale in the Arts for ACT Gallery and the Second ACT Thrift Store is not readily determinable until such merchandise is sold. Therefore, retail inventory from donated items has not been recorded in these financial statements. Retail sales of these donated items are recorded at the point of sale. The donations are recorded gross at the sale value, and a corresponding cost of sale is also recorded. Therefore, no amounts are reflected as resale inventory at year end.

Contributions of services are recognized only if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

Property and Equipment

Property and equipment are recorded at cost. Donated assets, if any, are recorded at their fair market value at the time of donation. Additions and major renewals in excess of \$1,000 are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets, which range from 3 to 50 years. The cost of maintenance and repairs is charged to operations, as incurred.

The State of Florida has rights and/or security interests over certain property and equipment acquired with grant funds, as well as the proceeds from the disposition of such assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Fixed Assets

ACT adheres to the FASB ASC 360-10-50-2 (formerly Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 144), “Accounting for the Impairment or Disposal of Long-Lived Assets”). FASB ASC 360-10-50-2 requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on ACT’s financial statements resulting from FASB ASC 360-10-50-2 for the years ended June 30, 2023 or 2022.

Advertising

ACT expenses advertising costs when incurred. During the years ended June 30, 2023 and 2022, advertising costs were \$31,978 and \$38,127, respectively, and are included in printing and public relations on the statements of functional expenses.

Income Taxes

ACT has been granted a ruling that it is exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code (the “Code”). No tax liability was incurred for the years ended June 30, 2023 or 2022. ACT is a non-profit Florida corporation and, therefore, is not subject to State income taxes. Accordingly, no provision for income taxes has been made. ACT is not considered a private foundation within the meaning of Section 509(a) of the Code.

The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. Management believes that ACT met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. ACT’s income tax returns for the past three years are open and subject to examination by tax authorities, and may change upon examination. ACT reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

Accounting for Uncertain Income Tax Items

The Financial Accounting Standards Board has issued guidance, Accounting Standards Code Section 740, on accounting for uncertainty in income taxes and ACT has adopted this guidance. ACT has evaluated its tax provision and any estimates utilized in its tax returns, and concluded that it has taken no uncertain tax position that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax position will be recognized in income tax expenses, if required.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Flows

For purposes of the statements of cash flows, ACT considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are recorded at cost.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific cost center or program service are allocated according to their natural expense classification. Indirect costs are allocated to the programs based on various allocation methods including estimated usage, square footage, and employee time.

Reclassification

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. Such reclassification had no effect on previously reported net assets.

Compensated Absences

ACT accrues for and records vacation benefits earned by employees, but not yet taken at year end.

Accounts Receivable

Accounts receivable are recorded at the lower of cost or net realizable value. ACT accounts for potential losses in accounts receivable, if any, utilizing the allowance method. All accounts or portions thereof deemed to be uncollectible are written off to an allowance for bad debt.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been considered through December 6, 2023, the date of the audit report, which is the date the financial statements were available to be issued.

New Accounting Standard – Leases

During the year ended June 30, 2023, ACT adopted ASU 2016-02 Topic 842-Leases. This standard required the recognition of certain lease assets and liabilities in the Statement of Financial Position for leases the previously were classified as operating leases. ACT, however, determined its current lease agreements discussed in NOTE 13, did not meet the recording criteria of ASU 2016-02 at June 30, 2023.

NOTE 3 - CONCENTRATION OF CREDIT RISK

ACT maintains its cash and cash equivalent accounts at various commercial banking institutions located in Fort Myers, Florida. Accounts at the commercial banking institutions are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per institution. Cash bank balances may at times exceed FDIC coverage. As of June 30, 2023 and 2022, there were \$848,516 and \$973,488 uninsured balances, respectively. Management does not believe credit risk exposure to be significant. ACT has incurred no losses due to credit risk.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 1,635	\$ 1,635
Depository, savings and money market accounts	1,557,549	1,497,815
	<u>\$ 1,559,184</u>	<u>\$ 1,499,450</u>

Restricted cash is as follows June 30:

	<u>2023</u>	<u>2022</u>
Maintenance reserve	\$ 123,414	\$ 68,888
Board designated	302,259	38,579
Unearned revenue	79,576	83,927
	<u>\$ 505,249</u>	<u>\$ 191,394</u>

ABUSE COUNSELING AND TREATMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 5 - GRANTS RECEIVABLE

Grants receivable consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
DCF	\$ 106,000	\$ 97,332
Office of the Attorney General - VOCA	202,941	182,504
Florida Coalition Against Sexual Violence	68,362	58,835
Lee County	29,187	27,312
FEMA	-	9,168
City of Cape Coral - CDBG (CFDA #14.218)	8,907	5,880
	<u>\$ 415,397</u>	<u>\$ 381,031</u>

Management believes all accounts receivable are fully collectible; therefore, no allowance for bad debt has been recorded.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	Estimated Useful Lives	<u>2023</u>	<u>2022</u>
Land and land improvements	N/A	\$ 977,366	\$ 977,366
Buildings and improvements	5-50 years	4,892,882	4,869,262
Furniture and equipment	3-10 years	824,931	913,468
Vehicles	5 years	29,851	34,803
Construction in progress	N/A	54,104	19,575
		<u>6,779,134</u>	<u>6,814,474</u>
Less: Accumulated depreciation		<u>(2,296,747)</u>	<u>(2,310,711)</u>
		<u>\$ 4,482,387</u>	<u>\$ 4,503,763</u>

Depreciation expense for the years ended June 30, 2023 and 2022, was \$206,342 and \$198,384, respectively, and is allocated among program and supporting services.

Land related to the Hendry/Glades County shelter in the amount of \$41,890 is subject to a lien by The Florida Department of Children and Family Services. The lien expires on May 31, 2035.

NOTE 7 – LINE OF CREDIT

ACT has a \$50,000 uncollateralized revolving line of credit (LOC) payable to a financial institution, with interest payable monthly at 1.00% over the index rate used (Prime Rate) with a 3.00% floor. The LOC was renewed on April 19, 2023 and matures on May 14, 2025. At June 30, 2023, the interest rate was 7.75% and interest payable monthly. The outstanding balance on the LOC at June 30, 2023 and 2022 was \$0 and \$0, respectively. Interest expense incurred related to the LOC for the years ended June 30, 2023 and 2022 was \$0 and \$0, respectively. No amounts were borrowed or repaid relative to the LOC for the years ended June 30, 2023 and 2022.

ABUSE COUNSELING AND TREATMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 8 - MORTGAGES AND NOTE PAYABLE

Mortgages and note payable consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Mortgage payable to a commercial bank in the amount of \$224,381; monthly installments of \$1,843 including fixed interest at 5.50%; balloon payment of \$143,635 due May 14, 2026; collateralized by real property (main campus) in Lee County. This mortgage dated May 14, 2019 increased the outstanding balance and paid off the prior \$112,500 mortgage payable.	\$ 180,500	\$ 192,204
Mortgage payable to a commercial bank in the amount of \$480,000; dated October 4, 2019; monthly installments of \$3,054 including fixed interest at 4.50%; matures on October 4, 2026; collateralized by main campus real property in Lee County. This mortgage is cross collateralized with the \$1,920,000 mortgage payable.	421,297	438,306
Note payable - on April 16, 2020 ACT received a Small Business Administration (SBA) Paycheck Protection Program (PPP) loan in the amount of \$641,631 through a commercial bank. The loan has a maturity date of April 1, 2025 with an annual interest rate of 1.00%. ACT did apply for partial forgiveness of the loan in accordance with the requirements of the PPP and provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). ACT recorded the entire PPP loan balance of \$641,631 as non-current. The loan was partially forgiven (\$312,932) on October 22, 2021 and the remainder was paid on November 2, 2021.	-	-
Mortgage payable to a commercial bank in the amount of \$1,920,000; twelve (12) monthly interest only payments from November 2019 to October 2020. Seventy-one (71) monthly installments of \$12,214 including fixed interest at 4.50%; matures on October 4, 2026 with a balloon payment of \$1,526,377; collateralized by Second Act thrift store real property in Lee County. This mortgage is cross collateralized with the \$480,000 mortgage payable.	<u>1,752,987</u>	<u>1,817,976</u>
	2,354,784	2,448,486
Less: Current Portion	<u>(97,849)</u>	<u>(93,656)</u>
Total, Net	<u>\$ 2,256,935</u>	<u>\$ 2,354,830</u>

The \$1,920,000 mortgage includes certain restrictive covenants. Management believes ACT to be in compliance.

NOTE 8 - MORTGAGES AND NOTE PAYABLE, (Continued)

Interest expense on the mortgages and note payable during the years ended June 30, 2023 and 2022 was \$111,587 and \$115,960, respectively, and is included in other miscellaneous expenses and bank charges on the statements of functional expenses.

Future maturities of the mortgages and note payable are as following:

Years Ending June 30	Amount
2024	\$ 97,849
2025	102,833
2026	249,035
2027	1,905,067
	<u>\$ 2,354,784</u>

The PPP loan of \$641,631 was partially forgiven on October 22, 2021 in the amount of \$312,932.

NOTE 9 – UNEARNED (DEFERRED) REVENUE

Unearned (deferred) revenue consisted of the following as of June 30:

	2023	2022
Bobby Nichols- Fiddlesticks Charity Foundation	\$ 39,079	\$ 83,971
Unearned RPE Funds	8,266	-
Unearned UW ARPA Funds	32,231	-
	<u>\$ 79,576</u>	<u>\$ 83,971</u>

NOTE 10 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions (unrestricted) consisted of the following at June 30:

	2023	2022
Unrestricted, undesignated	\$ 1,310,819	\$ 1,560,598
Maintenance reserve	123,414	68,888
Board designated for emergency reserves	302,259	38,579
Net invested in property and equipment	2,127,603	2,055,277
	<u>\$ 3,864,095</u>	<u>\$ 3,723,342</u>

NOTE 11 - LEE COUNTY GRANTS

Grants from Lee County consisted of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Grants		
Lee County 9282	\$ 89,512	\$ 257,882
Lee County 9576	259,652	-
Lee County 8902	-	81,712
	<u>\$ 349,164</u>	<u>\$ 339,594</u>

NOTE 12 - IN-KIND CONTRIBUTIONS

ACT receives in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, specials events, and fundraising. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ACT. ACT recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value of the donation.

ACT received donated services for legal consultation and other consulting services as well as contributions of donated goods for the years ended June 30, 2023 and 2022:

2023

<u>Program or Supporting Service</u>	<u>Donated Goods</u>	<u>Donated Services</u>	<u>Total</u>
Program	\$ 371,725	\$ 22,052	\$ 393,777
General and Administrative	-	-	-
Special Events and Fundraising	-	-	-
Total	<u>\$ 371,725</u>	<u>\$ 22,052</u>	<u>\$ 393,777</u>

2022

<u>Program or Supporting Service</u>	<u>Donated Goods</u>	<u>Donated Services</u>	<u>Total</u>
Program	\$ 499,030	\$ 32,215	\$ 531,245
General and Administrative	-	-	-
Special Events and Fundraising	-	-	-
Total	<u>\$ 499,030</u>	<u>\$ 32,215</u>	<u>\$ 531,245</u>

The in-kind goods and services were recorded as revenue and an offsetting expense at June 30, 2023 and 2022.

NOTE 12 - IN-KIND CONTRIBUTIONS (Continued)

All donated services and goods were utilized by ACT's program and supporting services. There were no donor-imposed restrictions associated with the donated services and goods. Donated program services are valued using the most recent Bureau of Labor Statistics average hourly wage in ACT's metropolitan area. Donated legal services are valued at the standard hourly rates charged for those services. Donated goods are valued at the prices that would be received for selling similar products.

In addition to the amounts above, numerous volunteer hours were contributed that did not meet the requirements for recognition under generally accepted accounting principles.

NOTE 13 - OPERATING LEASE

The lease for the Arts for ACT Gallery was a three (3) year lease beginning October 14, 2016 with an option to renew for an additional two (2) year period. The lease required monthly rent of \$3,079 for the first year. ACT renewed this lease effective on October 1, 2019 for a period of three (3) years until September 30, 2022. The two (2) year lease option was then exercised. This lease has an annual escalator. For fiscal year 2023, the monthly required rent payment was \$4,172.

Future minimum payments under the lease were as follows:

Years Ending June 30	Amount
2024	\$ 54,040
2025	18,676
	<u>\$ 72,716</u>

The lease is set to expire on October 31, 2024. Therefore, this lease expense as well as the office equipment leases are considered immaterial and does not meet the recording criteria of ASU 842 "Leases".

Total rent expense under the storefront and office equipment leases for the years ended June 30, 2023 and 2022 was \$57,383 and \$48,543, respectively, and is included in rent expense on the statements of functional expenses.

NOTE 14 - MATCHING REQUIREMENTS

ACT received a portion of its support from funds passed through the State of Florida Attorney General's Office and the Department of Children and Families which had matching requirements for the year ended June 30, 2022. Such matching requirements for the year ended June 2022 were met. The Organization was granted a match waiver for the year ending June 30, 2022. For fiscal year 2023, the State of Florida Attorney General's office removed the matching requirement from

NOTE 14 - MATCHING REQUIREMENTS

their grants. The Department of Children and Families required a match and ACT met such requirement.

NOTE 15 - ECONOMIC DEPENDENCY

ACT's operations are substantially dependent on the receipt of support and revenue from grantor agencies. Loss of these funds and/or large decreases in this type of funding would have a material effect on ACT, a negative impact on overall operations, and potentially cause going concern issues. For the years ended June 30, 2023 and 2022, approximately 66% and 68%, respectively, of total support and revenue is attributable to funds received from federal, state and local grantor agencies. Such funding is subject to budgetary constraints of the respective grantor agencies.

NOTE 16 - FAIR VALUE MEASUREMENTS

The FASB has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs have the lowest priority.

During the years ended June 30, 2023 and 2022, no specific inputs were used. ACT held no investments at June 30, 2023 or 2022.

Financial Instruments not Measured at Fair Value

Financial instruments not measured at fair value include cash and cash equivalents, investments, receivable, accounts payable and accrued expenses. The carrying amounts of these items approximate fair value due to the short-term nature of the financial instruments.

NOTE 17 - LIQUIDITY

Financial Assets available within one year of June 30, 2023 consisted of the following:

	<u>Amount</u>
Cash and cash equivalents	\$ 1,559,184
Grants receivable	415,397
Accounts receivable	<u>32,270</u>
	2,006,851
Less amounts due within one year:	
Current liabilities	<u>(459,735)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,547,116</u>

The Organization also has a \$50,000 revolving line of credit available to meet cash flow needs. The Board has designated \$302,259 of the financial assets available for emergency reserves and \$123,414 for a maintenance reserve.

NOTE 18 – RETIREMENT PLAN

401(k) Profit Sharing Plan

In January 2005, ACT adopted a self-directed defined contribution plan which is available to all its employees except for non-resident aliens and members of a bargaining unit, provided they are at least 21 years of age. The Plan provides for elective contributions of the participant's (employee's) qualified compensation. To be eligible for the discretionary employer match the participant must also have completed one year of service. Entry dates are monthly. Participants vest over a five (5) year period of qualified service. The Plan is administered by a third party. All assets of the Plan are held by a third-party trustee. The Plan accepts rollover contributions. Loans not in excess of 50% of the participants vested balance are permitted.

For the years ended June 30, 2023 and 2022, ACT made no employer contributions.

NOTE 19 – RELATED PARTY TRANSACTIONS

As of June 30, 2023 and 2022, ACT held cash of \$425,673 and \$104,384, respectively, in a financial institution in which a member of the Board held a management position. ACT obtained all of its long term debt (including PPP loan) through this financial institution, as well, totaling \$2,354,784 and \$2,448,486 as of June 30, 2023 and 2022, respectively

NOTE 20- HURRICANE RECOVERY

On September 28, 2022, Hurricane Ian hit the SWFL area. As a result, ACT incurred damage to its locations. During the year ended June 30, 2023, ACT received \$108,231 of insurance proceeds to cover the cost of losses to the buildings and their contents from the first insurance claim. Subsequently, ACT hired a private adjuster who added additional items to the original insurance claim. This new claim of \$989,606 for damages has been submitted to the insurance company. ACT is waiting for the response and will use any insurance proceeds received towards completing the repairs. However, this has not interrupted ACT's operations.

During the year ended June 30, 2023, ACT received \$20,000 from United Way to assist with supplies needed after the hurricane. ACT also received \$5,000 in gift cards from United Way to be distributed to participants who were impacted by the hurricane.

The Arts For Act Gallery was flooded due to Hurricane Ian. The Gallery occupies leased space and remained closed until July 7, 2023. Second Act also incurred damages but was able to reopen October 10, 2022.

SUPPLEMENTARY INFORMATION

ABUSE COUNSELING AND TREATMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2023

Federal or State Agency & Office/Pass through Grantor/ Program Title	CFDA# / CSFA#	Pass-Through or Grant Contract Number	Expenditures	Pass-Through to Subrecipients
FEDERAL AWARDS				
<u>U.S. Department of Justice:</u>				
MAJOR (Type A)				
Passed through the State of Florida				
Office of the Attorney General:				
Crime Victim Assistance (VOCA)	16.575	VOCA-2021-00540	\$ 251,446	\$ -
Crime Victim Assistance (VOCA)	16.575	VOCA-2022-00955	877,656	-
			<u>1,129,102</u>	<u>-</u>
NON-MAJOR (Type B)				
Passed through the Florida Council				
Against Sexual Violence:				
Violence Against Women				
Formula Grant Program	16.589	22RUR30	73,396	-
			<u>73,396</u>	<u>-</u>
			<u>1,202,498</u>	<u>-</u>
<u>U.S. Department of Health and Human Services:</u>				
NON-MAJOR (Type B)				
Passed through the Florida Department				
of Children and Families:				
Temporary Assistance for Needy Families (TANF)	93.558 (1)	LN126	61,806	-
Temporary Assistance for Needy Families (TANF)	93.558 (1)	LN212	185,417	-
			<u>247,223</u>	<u>-</u>
NON-MAJOR (Type B)				
Passed through the Florida Department				
of Children and Families:				
Grants to States and Indian Tribes	93.671	LN126	68,275	-
Grants to States and Indian Tribes	93.671	LN212	204,827	-
			<u>273,102</u>	<u>-</u>
Family Violence Prevention and Services/ Grants for Battered Women's Shelters -				
Grants to States and Indian Tribes	93.671	LN126	28,946	-
Grants to States and Indian Tribes	93.671	LN212	90,277	-
			<u>119,223</u>	<u>-</u>
			<u>392,325</u>	<u>-</u>
			<u>639,548</u>	<u>-</u>
NON-MAJOR (Type B)				
Passed through the Florida Council				
Against Sexual Violence:				
Injury Prevention and Control Research				
and State and Community Based Programs	93.136	21RPE30	66,734	-
			<u>66,734</u>	<u>-</u>
			<u>706,282</u>	<u>-</u>

(1) included in TANF 477 cluster

(2) included in CDBG - Entitlement Grants cluster

ABUSE COUNSELING AND TREATMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE, CONTINUED
Year Ended June 30, 2023

Federal or State Agency & Office/Pass through Grantor/ Program Title	CFDA# / CSFA#	Pass-Through or Grant Contract Number	Expenditures	Pass-Through to Subrecipients
<u>U.S. Department of Housing and Urban Development:</u>				
NON-MAJOR (Type B)				
Passed through the City of Cape Coral:				
Community Development Block Grants/ Entitlement Grants	14.218 (2)	G23200.2022. 534115.2271	9,067	-
Community Development Block Grants/ Entitlement Grants	14.218 (2)	G23200.2023. 534115.2271	24,053	-
			33,120	-
<u>U.S. Department of Treasury:</u>				
NON-MAJOR (Type B)				
Passed through Lee County AND United Way of Lee County:				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	ARPA-UW111A	91,595	-
			91,595	-
Total expenditures of Federal awards			\$ 2,033,495	\$ -

Note: See Note 5 for related receivables

STATE AWARDS

Florida Department of Children and Families:

MAJOR (Type A)

Domestic Violence Trust Fund
& General Revenue

60.134	LN126	325,812	-
		325,812	-

NON-MAJOR (Type B)

Domestic Violence SA for Certified DV Centers

60.243	LN212	103,758	-
		103,758	-

NON-MAJOR (Type B)

Child Protection Investigations

60.139	LN126/LN212	110,000	-
		110,000	-
		539,570	-

Florida Department of Health:

NON-MAJOR (Type B)

Passed through the Florida Council
Against Sexual Violence:

Rape Crisis Program Trust Fund - Sexual
Battery Victim's Access to Service Act

64.061	16TFGR30	59,552	-
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NON-MAJOR (Type B)

Passed through the Florida Council
Against Sexual Violence:

Rape Crisis Centers

64.069	16TFGR30	149,575	-
		149,575	-
		209,127	-

ABUSE COUNSELING AND TREATMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE, CONTINUED
Year Ended June 30, 2023

Federal or State Agency & Office/Pass through Grantor/ Program Title	CFDA# / CSFA#	Pass-Through or Grant Contract Number	Expenditures	Pass-Through to Subrecipients
<u>Florida Department of Legal Affairs:</u>				
NON-MAJOR (Type B)				
Passed through the Florida Council Against Sexual Violence:				
Florida Council Against Sexual Violence	41.010	21OAG30	19,725	-
			<u>19,725</u>	<u>-</u>
Total expenditures of State Financial Assistance			<u>\$ 768,422</u>	<u>\$ -</u>

ABUSE COUNSELING AND TREATMENT, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2023

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NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state of Florida award activity of Abuse Counseling and Treatment, Inc. under the programs of the federal government and state of Florida for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Florida Single Audit Act (Florida Statute 215.97) and Florida Auditor General Rule 10.650. Because the Schedule presents only a selected portion of the operations of Abuse Counseling and Treatment, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Abuse Counseling and Treatment, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards and State Financial Assistance has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and is in accordance with the Uniform Guidance, Florida Single Audit Act (Florida Statute 215.97) and Florida Auditor General Rule 10.650.

Expenditures reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance include cash disbursements, whether capitalized or expensed, during the fiscal year, as well as grant related amounts recorded as payable at year end. Revenues reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance include cash receipts, whether recognized or deferred, as well as grant receivables recorded at year end.

Basis of Accounting

Expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance, Florida Single Audit Act (Florida Statute 215.97) and Florida Auditor General Rule 10.650 wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

ABUSE COUNSELING AND TREATMENT, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2023

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NOTE C - INDIRECT COSTS

Abuse Counseling and Treatment, Inc. did not routinely allocate costs to Federal Award programs. Costs charged to such programs were direct costs unless specifically incurred for the program and allowed and indicated as such.

Abuse Counseling and Treatment, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

During the year ended June 30, 2023, there were no federal or state funds passed through to subrecipients.

NOTE E - MATCH/PARTICIPATION REQUIREMENTS

Abuse Counseling and Treatment, Inc. received financial assistance under several grants and contracts.

For the fiscal year ended June 30, 2023, Abuse Counseling and Treatment, Inc. had met its match/participation requirement for the State of Florida Department of Children and Family grants. The State of Florida Attorney General removed the match requirements from its grants for the year ended June 30, 2023.

**ADDITIONAL REPORTS OF
INDEPENDENT AUDITOR**



**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**

Board of Directors
Abuse Counseling and Treatment, Inc.
P.O. Box 60401
Fort Myers, Florida 33906

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 of America, the financial statements of Abuse Counseling and Treatment, Inc., which comprise the statement of financial position as of June 30, 2023, 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 December 6, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Abuse Counseling and Treatment, 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 Abuse Counseling and Treatment, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Abuse Counseling and Treatment, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Abuse Counseling and Treatment, 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.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Abuse Counseling and Treatment, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "TUSCAN & COMPANY, P.A." in a cursive, stylized font.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

December 6, 2023



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& Company, PA

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Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program /Project and on Internal Control Over Compliance in Accordance With the Uniform Guidance and the Florida Single Audit Act

Board of Directors
Abuse Counseling and Treatment, Inc.
P.O. Box 60401
Fort Myers, Florida 33906

Report on Compliance for Each Major Federal Program

We have audited Abuse Counseling and Treatment, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State Project Compliance Supplement, as applicable, that could have a direct and material effect on each of Abuse Counseling and Treatment, Inc.'s major federal programs and state projects for the year ended June 30, 2023. Abuse Counseling and Treatment, Inc.'s major federal programs and state projects 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 and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Abuse Counseling and Treatment, Inc.'s major federal programs and state projects 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); and the Florida Single Audit Act (Florida Statutes Chapter 215.97) and the State of Florida Auditor General Rule 10.650. Those standards, the Uniform Guidance and the Florida Single Audit Act require that we plan and

INTEGRITY SERVICE EXPERIENCE

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 and/or major state project occurred. An audit includes examining, on a test basis, evidence about Abuse Counseling and Treatment, 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 and major state project. However, our audit does not provide a legal determination of Abuse Counseling and Treatment, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Abuse Counseling and Treatment, 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 and major state projects for the year ended June 30, 2023.

Report on Internal Control Over Compliance

Management of Abuse Counseling and Treatment, 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 Abuse Counseling and Treatment, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project 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 major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance, the Florida Single Audit Act (Florida Statutes Chapter 215.97) and the State of Florida Auditor General Rule 10.650, 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 Abuse Counseling and Treatment, Inc.'s internal control over compliance.

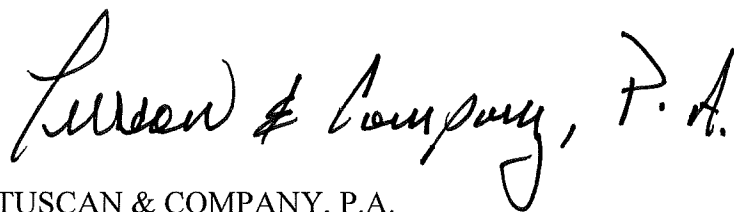
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project 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 or state project 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 or state project 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.

Purpose of the Report

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 Uniform Guidance, the Florida Single Audit Act (Florida Statutes Chapter 215.97) and the State of Florida Auditor General Rule 10.550. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Tuscan & Company, P.A." The signature is written in black ink and is positioned above the printed name of the firm.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
December 6, 2023

**ABUSE COUNSELING AND TREATMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED**

**COSTS - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE, CONTINUED
Year Ended June 30, 2023**

State Financial Assistance

Internal control over major projects:

Control deficiency(ies) identified?	_____	Yes	<u>X</u>	No
Significant deficiency(ies) identified?	_____	Yes	<u>X</u>	No
Material weakness(es) identified?	_____	Yes	<u>X</u>	None reported
Type of auditors report issued on compliance for major projects	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Section 215.97, Florida Statutes, and Chapter 10.650, Rules of the Auditor General?	_____	Yes	<u>X</u>	No

Identification of major projects:

CSFA	
<u>Number(s)</u>	<u>Name of State Project</u>
60.134	Domestic Violence Trust Fund & General Revenue
64.069	Rape Crisis Center

Dollar threshold used to distinguish between Type A and Type B projects Threshold used was \$300,000

Section II- Financial Statement Findings

There were no deficiencies, material weaknesses, or instances of noncompliance related to the financial statements.

Section III- State Award Findings and Questioned Costs

There were no audit findings related to State Awards required to be reported by Auditor General Rule 10.650.

Section IV- Status of State Prior Year Findings

There were no prior year findings as no state single audit was required in the prior year.



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INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Directors
Abuse Counseling and Treatment, Inc.
P.O. Box 60401
Fort Myers, Florida 33906

In planning and performing our audit of the financial statements of Abuse Counseling and Treatment, Inc. (a not-for-profit Florida Corporation) as of and for the year ended June 30, 2023, we considered internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion of the effectiveness of the Abuse Counseling and Treatment, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Abuse Counseling and Treatment, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

In connection with our audit, we are submitting the following comments and recommendations in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" (Uniform Guidance).

INTEGRITY SERVICE EXPERIENCE

12621 World Plaza Lane, Building 55 • Fort Myers, FL 33907 • Phone: (239) 333-2090 • Fax: (239) 333-2097

We are, therefore, submitting for your review and consideration, items noted during the audit and recommendations are designed to help Abuse Counseling and Treatment, Inc. make improvements and achieve operational efficiencies. Our comments reflect our desire to be of continuing assistance to Abuse Counseling and Treatment, Inc.


PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:

None - No financially significant comments noted.

CURRENT YEAR COMMENTS:

None - No financially significant comments noted.

This report is intended solely for the information and use of the Board of Directors, finance committee, management, Federal and State awarding agencies, pass-through entities, the Auditor General for the State of Florida and other Federal and State audit agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.



TUSCAN & COMPANY, P.A.

Fort Myers, Florida

December 6, 2023

EXHIBIT



239-939-3112 24-Hour Hotline
800-500-1119 Toll-Free Hotline
239-939-2553 Administrative Office
239-939-4741 Fax
Website: actabuse.com
P.O. Box 60401 | Fort Myers, FL 33906

December 18, 2023

Tuscan & Company, P.A.
12621 World Plaza Lane, Building 55
Fort Myers, FL 33907

We are writing in response to your management letter included with our audited financial statements for the year ended June 30, 2023.

We have received the Auditor's Management Letter as defined in the Auditor General rule 10.554(1)(i). We acknowledge that the auditor found there were no current year comments or recommendations.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer L. Benton".

Jennifer L. Benton, Chief Executive Officer
Abuse Counseling and Treatment, Inc.



ACT is funded in part by: Florida Coalition Against Domestic Violence, Florida Council Against Sexual Violence, Florida Department of Health, Lee County, United Way, City of Cape Coral, City of Fort Myers and The Office of the Attorney General.

The balance of our funding comes from our fundraising events and community donations.