

**REFUGE HOUSE, INC.**  
**Tallahassee, Florida**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**June 30, 2024 and 2023**

## CONTENTS

INDEPENDENT AUDITORS' REPORT .....	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position.....	4
Statements of Activities .....	5 - 6
Statements of Functional Expenses .....	7 - 8
Statements of Cash Flows.....	9 - 10
Notes to Financial Statements.....	11 - 20
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	21 - 22
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance. ....	23
REPORTS REQUIRED UNDER <i>GOVERNMENT AUDITING STANDARDS, OMB UNIFORM GUIDANCE, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS, AND WITH CHAPTER 10.650, RULES OF THE STATE OF FLORIDA AUDITOR GENERAL</i>	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	24 - 25
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND IN ACCORDANCE WITH CHAPTER 10.650, <i>RULES OF THE STATE OF FLORIDA AUDITOR GENERAL</i> .....	26 - 28
Schedule of Findings and Questioned Cost .....	29 - 33

**MEMBERS**

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

# TBL

THOMSON BROCK  
LUGER & COMPANY

*Certified Public Accountants and Business Advisors*

FRED C. LUGER, C.P.A.  
MATTHEW R. HANSARD, C.P.A.  
ANN MARIE BACHMAN, C.P.A.  
GREGORY J. COCHRAN, C.P.A.  
JOHN K. KIRK, C.P.A.

KELLY VAZQUEZ, C.P.A.  
SAWYER SCHMOOKLER, C.P.A.  
REBEKAH E.A. GRIFFIN, C.P.A.  
BRETT GILMAN, C.P.A.  
OF COUNSEL  
HAROLD A. BROCK, JR. C.P.A.  
W. FREDERICK THOMSON, C.P.A.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Refuge House, Inc.  
Tallahassee, Florida

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Refuge House, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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, the financial statements present fairly, in all material respects, the financial position of Refuge House, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Refuge House, 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 the 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 Refuge House, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' 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 Refuge House, 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 Refuge House, 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.

### ***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* and Chapter 10.650, *Rules of the State of Florida Auditor General*, 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 and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of Refuge House, 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 Refuge House, 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 Refuge House, Inc.'s internal control over financial reporting and compliance.

*Thomson Brocke Budget Company*

Tallahassee, Florida  
December 11, 2024

**REFUGE HOUSE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2024 and 2023**

	2024	2023
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 439,786	\$ 449,340
Grants receivable	601,551	613,725
Prepaid expenses	21,824	23,974
TOTAL CURRENT ASSETS	1,063,161	1,087,039
<b>NON-CURRENT ASSETS</b>		
Property and equipment, net	2,756,986	2,853,718
Right-of-use assets (Operating), net	26,123	57,330
Right-of-use assets (Finance), net	3,899	15,597
Other assets	5,202	5,202
	2,792,210	2,931,847
	\$ <u>3,855,371</u>	\$ <u>4,018,886</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 11,819	\$ 238,612
Accrued expenses	204,026	160,103
Current portion of notes payable	59,401	60,442
Current portion of finance lease obligation	3,399	7,737
Current portion of operating lease obligation	27,345	30,839
TOTAL CURRENT LIABILITIES	305,990	497,733
<b>LONG-TERM LIABILITIES</b>		
Finance lease obligation, less current portion	-	3,399
Operating lease obligation, less current portion	-	27,344
Notes payable, less current portion	1,382,629	1,390,144
	1,382,629	1,420,887
TOTAL LIABILITIES	1,688,619	1,918,620
<b>NET ASSETS</b>		
Without donor restrictions	1,808,560	1,721,820
With donor restrictions	358,192	378,446
TOTAL NET ASSETS	2,166,752	2,100,266
	\$ <u>3,855,371</u>	\$ <u>4,018,886</u>

See accompanying notes.

**REFUGE HOUSE, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 3,005,802	\$ -	\$ 3,005,802
Contributions	340,282	10,000	350,282
Program fees	68,375	-	68,375
Other income	3,316	-	3,316
	<u>3,417,775</u>	<u>10,000</u>	<u>3,427,775</u>
Net assets released from restrictions	<u>30,254</u>	<u>(30,254)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,448,029</b>	<b>(20,254)</b>	<b>3,427,775</b>
<b>EXPENSES</b>			
Program services:			
Domestic violence prevention and services	1,912,873	-	1,912,873
Sexual violence prevention and services	496,840	-	496,840
Transitional housing	244,378	-	244,378
	<u>2,654,091</u>	<u>-</u>	<u>2,654,091</u>
Supporting services:			
General and administrative	633,211	-	633,211
Fundraising	73,987	-	73,987
	<u>707,198</u>	<u>-</u>	<u>707,198</u>
<b>TOTAL EXPENSES</b>	<b><u>3,361,289</u></b>	<b><u>-</u></b>	<b><u>3,361,289</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>86,740</b>	<b>(20,254)</b>	<b>66,486</b>
<b>BEGINNING NET ASSETS, as restated</b>	<b><u>1,721,820</u></b>	<b><u>378,446</u></b>	<b><u>2,100,266</u></b>
<b>ENDING NET ASSETS</b>	<b>\$ <u>1,808,560</u></b>	<b>\$ <u>358,192</u></b>	<b>\$ <u>2,166,752</u></b>

See accompanying notes.

**REFUGUE HOUSE, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 2,672,899	\$ -	\$ 2,672,899
Contributions	315,279	-	315,279
Program fees	25,850	-	25,850
Other income	786	-	786
	<u>3,014,814</u>	<u>-</u>	<u>3,014,814</u>
Net assets released from restrictions	<u>29,302</u>	<u>(29,302)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,044,116</b>	<b>(29,302)</b>	<b>3,014,814</b>
<b>EXPENSES</b>			
Program services:			
Domestic violence prevention and services	1,994,426	-	1,994,426
Sexual violence prevention and services	464,798	-	464,798
Transitional housing	195,318	-	195,318
	<u>2,654,542</u>	<u>-</u>	<u>2,654,542</u>
Supporting services:			
General and administrative	643,583	-	643,583
Fundraising	67,702	-	67,702
	<u>711,285</u>	<u>-</u>	<u>711,285</u>
<b>TOTAL EXPENSES</b>	<b><u>3,365,827</u></b>	<b><u>-</u></b>	<b><u>3,365,827</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(321,711)</b>	<b>(29,302)</b>	<b>(351,013)</b>
<b>BEGINNING NET ASSETS</b>	<b><u>2,043,531</u></b>	<b><u>407,748</u></b>	<b><u>2,451,279</u></b>
<b>ENDING NET ASSETS, as restated</b>	<b>\$ <u>1,721,820</u></b>	<b>\$ <u>378,446</u></b>	<b>\$ <u>2,100,266</u></b>

See accompanying notes.



**REFUGE HOUSE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2024**

	Program Services			Supporting Services		Total Expense
	Domestic Violence Prevention and Services	Sexual Violence Prevention and Services	Transitional Housing	General and Administrative	Fundraising	
Personnel	\$ 1,369,373	\$ 392,663	\$ 65,847	\$ 289,778	\$ 34,210	\$ 2,151,871
Depreciation	162,300	-	22,410	1,168	-	185,878
Lease expense	64,272	20,739	72,593	4,454	-	162,058
Professional fees	8,510	3,676	16,838	131,357	-	160,381
Utilities	101,733	3,183	36,157	8,094	-	149,167
Insurance	13,676	19,042	-	60,833	-	93,551
Communication	58,554	12,976	8,593	5,883	631	86,637
Interest	-	-	-	62,519	-	62,519
Other program expenses	34,627	15,520	9,517	2,366	-	62,030
Office	24,503	1,272	3,359	17,960	3,352	50,446
Repairs and maintenance	37,244	43	5,125	4,157	-	46,569
Equipment rental and maintenance	22,770	11,827	1,047	6,387	-	42,031
Fundraising	-	-	-	-	24,985	24,985
Contracted services	-	9,000	-	459	9,311	18,770
Training	4,602	6,340	-	3,996	-	14,938
Dues and subscriptions	112	-	-	10,546	1,473	12,131
Amortization expense	-	-	-	11,698	-	11,698
Other	70	-	667	9,412	25	10,174
Travel	6,472	536	-	917	-	7,925
Licenses and fees	4,055	23	2,225	1,227	-	7,530
Litigation settlement loss	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ <u>1,912,873</u></b>	<b>\$ <u>496,840</u></b>	<b>\$ <u>244,378</u></b>	<b>\$ <u>633,211</u></b>	<b>\$ <u>73,987</u></b>	<b>\$ <u>3,361,289</u></b>

See accompanying notes.

**REFUGE HOUSE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2023**

	Program Services			Supporting Services		Total Expense
	Domestic Violence Prevention and Services	Sexual Violence Prevention and Services	Transitional Housing	General and Administrative	Fundraising	
Personnel	\$ 1,464,235	\$ 323,121	\$ 54,185	\$ 166,811	\$ 45,263	\$ 2,053,615
Depreciation	71,424	-	-	105,728	-	177,152
Lease expense	26,005	30,212	99,080	36,353	-	191,650
Professional fees	-	10,533	5,124	116,976	-	132,633
Utilities	91,709	5,421	16,219	11,700	-	125,049
Insurance	6,268	10,923	-	78,485	-	95,676
Communication	54,870	19,073	-	15,019	-	88,962
Interest	60,669	-	-	3,434	-	64,103
Other program expenses	44,495	31,200	6,903	1,478	-	84,076
Office	8,733	3,942	-	32,881	-	45,556
Repairs and maintenance	123,148	-	3,353	31,698	-	158,199
Equipment rental and maintenance	17,494	2,224	5,619	2,481	-	27,818
Fundraising	-	-	-	-	22,439	22,439
Contracted services	200	22,682	4,835	1,225	-	28,942
Training	-	3,181	-	1,672	-	4,853
Dues and subscriptions	1,698	-	-	9,541	-	11,239
Amortization expense	9,720	935	-	1,043	-	11,698
Other	354	-	-	9,648	-	10,002
Travel	7,642	931	-	849	-	9,422
Licenses and fees	5,762	420	-	1,561	-	7,743
Litigation settlement loss	-	-	-	15,000	-	15,000
<b>Total expenses</b>	<b>\$ <u>1,994,426</u></b>	<b>\$ <u>464,798</u></b>	<b>\$ <u>195,318</u></b>	<b>\$ <u>643,583</u></b>	<b>\$ <u>67,702</u></b>	<b>\$ <u>3,365,827</u></b>

See accompanying notes.

**REFUGE HOUSE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and contributions	\$ 3,403,939	\$ 2,816,178
Cash payments to employees and employment taxes	(2,110,105)	(1,991,244)
Cash payments to vendors and service providers	(1,165,430)	(1,009,267)
Interest paid	(32,264)	(34,801)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	96,140	(219,134)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(59,146)	(160,780)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(59,146)	(160,780)
<b>CASH FROM FINANCING ACTIVITIES</b>		
Payment of principal on notes payable	(127,390)	(146,537)
Additions of principal on notes payable	88,579	88,269
Payment of principal on obligations under finance leases	(7,737)	(7,730)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(46,548)	(65,998)
<b>NET DECREASE IN CASH</b>	(9,554)	(445,912)
<b>CASH AT BEGINNING OF YEAR</b>	449,340	895,252
<b>CASH AT YEAR END</b>	\$ 439,786	\$ 449,340

See accompanying notes.

**REFUGE HOUSE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 66,486	\$ (351,013)
Adjustments to change in net assets to net cash provided by operating activities:		
Depreciation expense	185,878	177,152
Amortization expense	11,698	11,698
Non-cash contribution of leasehold improvements	(30,000)	-
Imputed interest	30,255	29,302
Operating lease expense	369	
Decrease (increase) in assets:		
Grants and contracts receivable	12,174	(198,636)
Prepaid expenses	2,150	(4,937)
Other assets	-	-
Increase (decrease) in liabilities:		
Accounts payable	(226,793)	58,351
Accrued expenses	43,923	62,831
Lease obligations	-	(3,882)
	96,140	(219,134)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 96,140	\$ (219,134)
Supplemental schedule of non-cash investing and financing activities:		
Purchase of prepaid insurance with related note payable	\$ 21,824	\$ 18,857
	21,824	18,857

See accompanying notes.

**REFUGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Purpose** - Refuge House, Inc. (the “Organization”) is a Florida non-profit charitable corporation headquartered in Tallahassee, Florida with operations in eight contiguous counties: Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, and Wakulla. The primary purpose of the Organization is to develop and sustain a system of support services for survivors of domestic violence and survivors of sexual violence and their children. A secondary purpose of the Organization is to eliminate the conditions in society that allow domestic violence and sexual violence to continue.

A summary of significant accounting policies is presented below:

**Basis of Accounting** - The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation** - Net assets of the Organization and changes therein are classified and reported as follows:

**Net assets without donor restrictions** - Net assets that are not subject to donor-imposed stipulations.

**Net assets with donor restrictions** - Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Organization and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decrease in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Property and Equipment** - Property and equipment acquired by the Organization is considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

**REFUGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and equipment with a value greater than \$5,000 and an estimated useful life of at least one year is recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from five (5) to thirty-nine (39) years.

**Income Taxes** - The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization files income tax returns in the U.S. Federal jurisdiction. The Organization's income tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

**Cash and Cash Equivalents** - For the purpose of reporting cash flows, cash and cash equivalents includes cash on hand, amounts in demand deposits and short-term investments with an original maturity of ninety (90) days or less.

**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. Accordingly, actual results could differ from those estimates.

**Leases** - The Organization determines if a contract contains a lease at inception. GAAP requires that the Organization's leases be evaluated and classified as operating or finance leases for financial reporting purposes. The classification evaluation begins at the date the Organization takes possession of the premises/equipment (the "commencement date"), and the lease term used in the evaluation includes the noncancellable period for which the Organization has the right to use the underlying asset, together with renewal option periods when the exercise of the renewal option is reasonably certain and failure to exercise such option would result in an economic penalty.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**REFUGUE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions** - The Organization accounts for contributions in accordance with generally accepted accounting principles. Accordingly, contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in the future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of not implying a time restriction on contributions of such assets.

**Grants and Contracts Receivable** - Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. All amounts are expected to be collected within one (1) year and management believes that all receivables are fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

**Accrued Leave** - The Organization compensates its employees for unused vacation leave, up to 240 hours, upon termination of employment. The amount of the change in accrued leave for all employees from one year to the next is reported as an expense during the current year.

**Revenue Recognition** - The Organization receives most of its grant and contract revenue from Federal, state and local agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract.

**NOTE 2 – SIGNIFICANT FUNDING SOURCE**

The Organization receives a substantial amount of its funding from the U.S. Department of Health and Human Services, U.S. Department of Justice, and State of Florida Department of Children and Families. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities.

**REFUGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 3 – CONCENTRATIONS OF CREDIT RISK**

**Demand Deposits** - The Organization maintains cash deposits with one financial institution. The Organization has no policy requiring collateral to support its cash deposits. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2024 and 2023, the Organization’s uninsured cash balance amounted to \$28,882 and \$39,317, respectively.

**Grants and Contracts Receivable** - The Organization’s receivables are for amounts due under contracts with the State of Florida and Federal government agencies. The Organization has no policy requiring collateral or other security to support its receivables.

**NOTE 4 – LINE OF CREDIT**

At June 30, 2024, the Organization had an unused \$125,000 line-of-credit with the bank to be drawn upon as needed. The variable interest rate is 1.25% above the lender’s prime rate, and is payable monthly, collateralized by property and equipment, receivables, and other miscellaneous assets of the Organization. The line-of-credit balance as of June 30, 2024 and 2023 was \$0 for both years.

**NOTE 5 – PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment at June 30:

	2024	2023
Land	\$ 386,183	\$ 386,183
Building and improvements	5,165,643	5,076,496
Furniture and equipment	506,965	506,965
	6,058,791	5,969,644
Less: Accumulated depreciation	(3,301,805)	(3,115,926)
	\$ 2,756,986	\$ 2,853,718

Depreciation expense for the years ended June 30, 2024 and 2023 amounted to \$185,878 and \$177,152, respectively.



**REFUGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 6 – NOTES PAYABLE**

Long-term debt consisted of the following at June 30:

	2024	2023
6.00% note payable to bank, payable in monthly installments of \$5,225 including interest, through February 24, 2034, collateralized by real estate.	\$ 457,346	\$ 491,459
Noninterest-bearing note payable to a Florida state agency, with an original principal balance of \$840,330, due in full February 24, 2034. The note is discounted at an imputed interest rate of 3.25%, collateralized by real estate. At the end of each year, the Organization amortizes the discount on the loan by recording interest expense and increasing the loan balance.	616,861	597,444
Noninterest-bearing note payable to a Florida state agency, with an original principal balance of \$469,008, due in full February 24, 2034. The note is discounted at an imputed interest rate of 3.25%, collateralized by real estate. At the end of each year, the Organization amortizes the discount on the loan by recording interest expense and increasing the loan balance.	344,285	333,448
7.00% note payable to bank, payable in monthly installments of \$2,946 through June 25, 2023, collateralized by property and equipment, receivables, and other miscellaneous assets.	-	2,958
0.00% insurance premium financing, payable in monthly installments of \$7,788 through December 2024, the financing is uncollateralized.	23,538	25,277
	1,442,030	1,450,586
Less: current portion of long-term debt	(59,401)	(60,442)
	\$ 1,382,629	\$ 1,390,144

**REFUGUE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 6 – NOTES PAYABLE (Continued)**

The carrying value of the non-interest bearing notes is shown net of total unamortized discount of \$358,192 and \$378,446 as of June 30, 2024 and 2023, respectively. Amortization of the discounts is reported in the Statements of Activities as interest expense and amounted to \$30,255 and \$29,312 for the years ending June 30, 2024 and 2023, respectively.

At June 30, 2024, maturities were as follows:

Year Ending June 30,	Amount
2025	\$ 59,401
2026	38,106
2027	40,489
2028	42,969
2029	45,711
Thereafter	<u>1,215,354</u>
	1,442,030
Unamortized discount	<u>358,192</u>
	<u>\$ 1,800,222</u>

**NOTE 7 – LEASES**

Operating lease right-of-use assets represent the Organization’s right to use the underlying assets for the lease term and operating lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Operating lease liabilities and operating lease right-of-use assets are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Lease amortization expense is recognized on a straight-line basis over the expected lease term. The Organization recognizes operating lease liabilities and operating lease right-of-use assets on its Statements of Financial Position.

Finance lease right-of-use assets represent the Organization’s right to use the underlying assets for the lease term, and finance lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Finance lease liabilities and finance lease right-of-use assets are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term, in compliance with ASC 842 requirements. Lease amortization expense for finance leases is recognized using the effective interest method, resulting in a front-loaded expense recognition pattern. This means that interest expense decreases over time as the lease liability is repaid, while the amortization of the leased asset remains constant over the lease term.

**REFUGUE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 7 – LEASES (Continued)**

Operating Lease:

The Organization entered into a lease agreement for office space on May 1, 2022. The lease has an initial term of thirty-six (36) months with monthly lease payments amounting to \$2,625, increasing by 3% annually.

Finance Lease:

The Organization entered into a lease agreement for office equipment on August 1, 2019. The lease has a term of sixty-three (63) months and has monthly payments amounting to \$693.

The following table summarizes the Organization’s operating leases, finance leases, weighted average remaining lease term and weighted average discount rate:

**Operating Lease:**

Assets:

Operating Lease Right-of-Use Assets	
Office Space	\$ <u>26,123</u>

Liabilities:

Current operating lease liability	\$ 27,345
Noncurrent operating lease liability	<u>-</u>
	\$ <u>27,345</u>

Weighted average remaining lease terms	.83 yrs
Weighted average discount rate	4.00%

**Finance Lease:**

Assets:

Operating Lease Right-of-Use Assets	
Office equipment	\$ <u>3,899</u>

Liabilities:

Current operating lease liability	\$ 3,399
Noncurrent operating lease liability	<u>-</u>
	\$ <u>3,399</u>

Weighted average remaining lease terms	.33 yrs
Weighted average discount rate	7.50%

**REFUGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 7 – LEASES (Continued)**

Operating lease expense for the year ended June 30, 2024 and 2023 was \$32,976 and \$32,510, respectively, and short-term and variable lease expenses were \$129,082 and 159,140, respectively.

The following table reconciles the future minimum lease payments on an undiscounted cash flow basis to the lease liability reported in the balance sheet as of June 30, 2024:

<b><u>Operating Lease:</u></b>	
Year Ending June 30,	Amount
2025	\$ <u>27,849</u>
	27,849
Less: interest	<u>(504)</u>
Total minimum future rental payments	\$ <u><u>27,345</u></u>

<b><u>Finance Lease:</u></b>	
Year Ending June 30,	Amount
2025	\$ <u>3,463</u>
	3,463
Less: interest	<u>(64)</u>
Total minimum future rental payments	\$ <u><u>3,399</u></u>

**NOTE 8 – MATCHING REQUIREMENTS**

The Organization received a portion of its support through grants and contracts. Certain grants and contracts require the Organization to provide specified amounts of matching revenue. For each contract, where applicable, the Organization has met all matching requirements. Also, for each contract that ended on or before June 30, 2024, no obligation remains outstanding to the funding source.

**NOTE 9 – PENSION PLAN**

The Organization sponsors a defined contribution pension plan. Eligible employees are those that are at least 21 years old and have been employed with the Organization for at least one year. The Organization contributes up to 3% of the employee’s salary. The amount of pension plan expense for the years ended June 30, 2024 and 2023 was \$11,617 and \$11,557, respectively.

**REFUGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30 consisted of the following:

	<u>2024</u>	<u>2023</u>
Unamortized discount on below market rate loans	\$ 348,192	\$ 378,446
Capital campaign	<u>10,000</u>	<u>-</u>
	<u>\$ 358,192</u>	<u>\$ 378,446</u>

**NOTE 11 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statements of Financial Position date, comprise the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 439,786	\$ 449,340
Grants and contracts receivable	<u>601,551</u>	<u>613,725</u>
Financial assets available to meet cash needs expenditures within one year	<u>\$ 1,041,337</u>	<u>\$ 1,063,065</u>

**NOTE 12 – CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

**NOTE 13 – SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 11, 2024 the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**REFUGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 14 – 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.

**NOTE 15 – PRIOR PERIOD ADJUSTMENT**

During the preparation of the financial statements for the year ended June 30, 2024, an error in the prior year's financial statements was discovered. A grant receivable amounting to \$47,230, which was earned and should have been recognized as revenue for the year ended June 30, 2023, was omitted.

As a result, the financial statements for the year ended June 30, 2023, have been restated to reflect the correction. The impact of the adjustment is as follows:

- Statement of Financial Position: Increase in accounts receivable (as of June 30, 2023):  
\$47,230
- Statement of Activities: Increase in net assets (beginning of the year, July 1, 2023):  
\$47,230

The comparative financial statements presented herein reflect the corrected balances for all affected accounts.

**SUPPLEMENTARY INFORMATION**

**REFUGE HOUSE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**  
**Year Ended June 30, 2024**

Grantor/Program Title	CFDA Number	Contract Number	Expenditures
<b>FEDERAL EXPENDITURES</b>			
<u>U.S. Department of Justice:</u>			
Emergency Food and Shelter Program	97.024	Unknown	\$ 45,539
<u>U.S. Department of Justice:</u>			
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2017-WH-AX-0029	245,636
Passed Through State of Florida, Office of the Attorney General:			
Crime Victim Assistance	16.575	VOCA-2022-Refuge House, Inc.-00721	80,124
Crime Victim Assistance	16.575	VOCA-2022-Refuge House, Inc.-00730	39,368
Crime Victim Assistance	16.575	VOCA-2023-Refuge House, Inc.-00056	87,698
Crime Victim Assistance	16.575	VOCA-2023-Refuge House, Inc.-00250	109,327
			<u>316,517</u>
<u>U.S. Department of Health and Human Services</u>			
Passed Through Florida Council Against Sexual Violence, Inc.:			
Injury Prevention and Control Research and State Community Based Programs	93.136	21RPE04	16,784
Family Violence Prevention and Services/ARP	93.497	23FVP04	58,715
			<u>75,499</u>
Passed Through State of Florida, Department of Children and Families:			
Temporary Assistance for Needy Families	93.558	LN226	296,991
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	LN226	407,924
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	LN226	217,301
			<u>922,216</u>
			<u>997,715</u>
Total expenditures of federal awards			\$ <u>1,605,407</u>

See independent auditors' report and accompanying notes.



**REFUGE HOUSE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**  
**Year Ended June 30, 2024**

<u>Grantor/Program Title</u>	<u>CFDA\ CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
STATE EXPENDITURES			
<u>Florida Department of Children and Families:</u>			
Domestic Violence Program	60.134	LN226	\$ 339,946
Child Abuse Domestic Violence Training	60.139	LN226	<u>200,000</u>
			539,946
<u>Florida Department of Health</u>			
Passed Through Florida Council Against Sexual Violence, Inc.:			
Rape Crisis Program Trust Fund	64.061	16TFGR04	106,757
Rape Crisis Center	64.069	16TFGR04	<u>369,743</u>
			<u>476,500</u>
Total expenditures of state financial assistance			\$ <u>1,016,446</u>

See independent auditors' report and accompanying notes.

**REFUGE HOUSE, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**  
**Year Ended June 30, 2024**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal awards and State assistance activity of Refuge House, Inc. under programs of the federal government and state of Florida for the year ended June 30, 2024 in accordance with the 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 Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of Refuge House, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Refuge House, Inc.

**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 the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**NOTE 3 - DE MINIMIS COST RATE ELECTION**

Refuge House, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**NOTE 4 - SUBRECIPIENTS**

For the year ended June 30, 2024, there were no amounts passed through to subrecipients.

**REPORTS REQUIRED UNDER *GOVERNMENT AUDITING STANDARDS, OMB*  
*UNIFORM GUIDANCE, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-*  
*PROFIT ORGANIZATIONS* AND WITH CHAPTER 10.650, *RULES OF THE STATE*  
*OF FLORIDA AUDITOR GENERAL***

**MEMBERS**

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

# TBL

THOMSON BROCK  
LUGER & COMPANY

*Certified Public Accountants and Business Advisors*

FRED C. LUGER, C.P.A.  
MATTHEW R. HANSARD, C.P.A.  
ANN MARIE BACHMAN, C.P.A.  
GREGORY J. COCHRAN, C.P.A.  
JOHN K. KIRK, C.P.A.

KELLY VAZQUEZ, C.P.A.  
SAWYER SCHMOOKLER, C.P.A.  
REBEKAH E.A. GRIFFIN, C.P.A.  
BRETT GILMAN, C.P.A.  
OF COUNSEL  
HAROLD A. BROCK, JR. C.P.A.  
W. FREDERICK THOMSON, C.P.A.

**INDEPENDENT AUDITORS' 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  
Refuge House, Inc.  
Tallahassee, 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 Refuge House, Inc., which comprise the statement of financial position as of June 30, 2024, 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 11, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Refuge House, 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 Refuge House, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Refuge House, 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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Refuge House, 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Thomson Black & Company*

Tallahassee, Florida  
December 11, 2024

**MEMBERS**

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

**TBL**  
THOMSON BROCK  
LUGER & COMPANY

*Certified Public Accountants and Business Advisors*

FRED C. LUGER, C.P.A.  
MATTHEW R. HANSARD, C.P.A.  
ANN MARIE BACHMAN, C.P.A.  
GREGORY J. COCHRAN, C.P.A.  
JOHN K. KIRK, C.P.A.

KELLY VAZQUEZ, C.P.A.  
SAWYER SCHMOOKLER, C.P.A.  
REBEKAH E.A. GRIFFIN, C.P.A.  
BRETT GILMAN, C.P.A.  
OF COUNSEL  
HAROLD A. BROCK, JR. C.P.A.  
W. FREDERICK THOMSON, C.P.A.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE AND IN ACCORDANCE  
WITH CHAPTER 10.650, RULES OF THE STATE OF FLORIDA  
AUDITOR GENERAL**

To the Board of Directors  
Refuge House, Inc.  
Tallahassee, Florida

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited Refuge House, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and Florida State Projects Compliance Supplement that could have a direct and material effect on each of Refuge House, Inc.'s major federal programs and state projects for the year ended June 30, 2024. Refuge House, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Refuge House, 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 state projects for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program and State Project***

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 Chapter 10.650, *Rules of the State of Florida Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Refuge House, 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 and state project. Our audit does not provide a legal determination of Refuge House, 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 Refuge House, Inc.'s federal programs and state projects.

### ***Auditors' 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 Refuge House, 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*, the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General* 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 Refuge House, Inc.'s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*, 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 Refuge House, 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 Refuge House, 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 and Chapter 10.650, *Rules of the State of Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Refuge House, 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.

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.

*Thomson Black & Veatch Company*

Tallahassee, Florida  
December 11, 2024



**REFUGE HOUSE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2024**

**Part A - SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of audit report issued on the financial statements: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?      yes   X   no
- Significant deficiencies identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

*Federal Awards*

Internal control over major Federal programs:

- Material weakness(es) identified?      yes   X   no
- Significant deficiencies identified?      yes   X   none reported

Types of auditors' report issued on compliance for major Federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR200.516(a)?        X   no

Identification of major programs:

Federal Program	Federal CFDA Number
Temporary Assistance for Needy Families	93.558
Family Violence Prevention and Services/Domestic Violence	93.671

Dollar threshold used to distinguish between type A and type B federal programs: \$ 750,000

Auditee qualified as low-risk auditee?      yes   X   no

**REFUGUE HOUSE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2024**

**Part A - SUMMARY OF AUDIT RESULTS (Continued)**

*State Financial Assistance*

Internal control over financial reporting:

- Material weakness(es) identified?                         yes      X   no
- Significant deficiencies identified?                        yes      X   none reported

Types of auditors' report issued on compliance for major state projects: Unmodified

Any audit findings disclosed that are required to be reported related to state financial assistance projects?                         yes      X   no

Identification of major projects:

<b>State Project</b>	<b>State CSFA Number</b>
Rape Crisis Center	64.069
Child Abuse Domestic Violence Training	60.139
Dollar threshold used to distinguish between type A and type B state projects:	\$300,000

**REFUGE HOUSE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2024**

**Part B - FINANCIAL STATEMENTS FINDINGS**

None.

**Part C - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**Part D – FEDERAL AWARD SCHEDULE PRIOR YEAR FINDINGS**

**Finding 2023-001: Material Adjustments for Grants Receivable and Accounts Payable - CORRECTED**

**Summary:** In the prior year, reimbursement requests for expenses incurred were made for multiple grants, but the corresponding receivables were not properly recorded by June 30, 2023, leading to an understatement of revenue in the fiscal year. Additionally, the Organization’s CFO terminated in February 2023 and management utilized the services of an outside contractor to help perform the accounting function until they were able to fill the position. This turnover led to changes in accounting practices.

**Current Year Status:** In the current year, no audit adjustments were required to be made for year-end grants receivable or accounts payables. This finding is considered corrected.

**Finding 2023-002: Cost Allocation to Proper Fund Codes in Accounting System and Proper Close out of Grant Funds in Accounting System – CORRECTED**

**Summary:** In the prior year, allowable expenses were not properly allocated to the grant through F/S codes or reporting was performed from outside of the accounting system and not reconciled to the system. Additionally, the Organization’s CFO terminated in February 2023 and management utilized the services of an outside contractor to help perform the accounting function until they were able to fill the position. This turnover led to changes in accounting practices and other staff helping prepare reimbursement requests for grants.

**Current Year Status:** Management provided grant reconciliations and we were able to trace those with the general ledger showing how funds were utilized for each grant. We did not find any material instances of grant funds being reported to grantors and not being properly included in general ledger F/S codes. This finding is considered to be corrected.

**REFUGUE HOUSE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2024**

**Part D – FEDERAL AWARD SCHEDULE PRIOR YEAR FINDINGS (continued)**

**Finding 2023-003: Internal Controls over Cash Disbursements – PARTIALLY CORRECTED**

**Summary:** In the prior year, we identified various deficiencies in internal control procedures during our tests of cash disbursements. Specifically, the controls over proper authorization and approval of large disbursements were not consistently followed.

**Current Year Status:** In the current year, we noted deficiencies in the following internal control procedures while performing our tests of cash disbursements:

- We noted that five (5) of the forty (40) disbursements tested were checks over \$10,000. Three (3) of those five (5) checks did not have dual authorized signatures present. These noted exceptions were all in the first quarter of the fiscal year during Finance staffing transitions, which was corrected throughout the remainder of the fiscal year.

These deficiencies occurred only during the first quarter of the fiscal year, with no exceptions noted in subsequent quarters. Management implemented corrective actions starting in the second quarter of the fiscal year, which remained effective through year-end. This finding is considered partially corrected since the deficiencies identified in the prior year persisted into the first quarter of the current year. However, as the corrective actions were effective for the remainder of the fiscal year, no further significant control issues were identified beyond the first quarter.

**Part E – STATE PROJECT FINDINGS AND QUESTIONED COSTS**

None.

**Part F – STATE PROJECT PRIOR YEAR AUDIT FINDINGS**

None.

**MEMBERS**

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

# TBL

THOMSON BROCK  
LUGER & COMPANY

*Certified Public Accountants and Business Advisors*

FRED C. LUGER, C.P.A.  
MATTHEW R. HANSARD, C.P.A.  
ANN MARIE BACHMAN, C.P.A.  
GREGORY J. COCHRAN, C.P.A.  
JOHN K. KIRK, C.P.A.

KELLY VAZQUEZ, C.P.A.  
SAWYER SCHMOOKLER, C.P.A.  
REBEKAH E.A. GRIFFIN, C.P.A.  
BRETT GILMAN, C.P.A.  
OF COUNSEL  
HAROLD A. BROCK, JR. C.P.A.  
W. FREDERICK THOMSON, C.P.A.

## MANAGEMENT LETTER

To the Board of Directors  
Refuge House, Inc.  
Tallahassee, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Refuge House, Inc. as of and for the year ended June 30, 2024, and have issued our report thereon dated December 11, 2024.

### **Auditors' Responsibility**

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; 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 Chapter 10.650, *Rules of the State of Florida Auditor General*.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for each Major Federal Program and State Project and Report on Internal Control over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated, December 11, 2024 should be considered in conjunction with this management letter.

### **Additional Matters**

Section 10.654(1)(e), Rules of the State of Florida Auditor General, requires that we communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or Federal Program and State Project amounts that is less than material but which warrants the attention of those charged with governance. Those findings and recommendations are as follows:

## **PRIOR YEAR COMMENTS:**

### **1. Noncash Donations Recorded in the Accounting System - CORRECTED**

In the prior year, we were not able to trace noncash donations in the donor database into the accounting system. In the current year, management tracked non-cash donations in their excel donor acknowledgement system that were over \$2,500. We were able to trace the non-cash donations into the accounting system. This comment is considered to be corrected.

### **2. Recording Financed Insurance Loan - CORRECTED**

In the prior year, an adjustment was required to record the accurate value of the remaining loan balance as of June 30, 2023. In the current year, management posted the adjustment for the loan, but an additional immaterial audit adjustment was required to reconcile it with the prepaid expense and expense accounts. Since the adjust was not material and management posted the entry at year end, this comment is considered to be corrected.

### **3. Revenue from SANE program at SAFE Center - CORRECTED**

The SANE program revenue is a contractual vendor relationship with the Organization and Florida's Office of the Attorney General ("OAG") in which the Organization is paid \$1,000 for each case it serves. In the prior year, we noted that the Organization has been recording the revenue on a cash basis instead of on an accrual basis. In the current year, management implemented a process in which invoices are recorded as receivables as they are issued and the accounting department follows up on old unpaid invoices. This comment is considered to be corrected.

### **4. Donations with Restrictions**

In the prior year, we reported that the Organization did not have a process to track donations with donor-imposed restrictions. During the current year, management implemented a process using an Excel spreadsheet to track restricted contributions. However, during our testing, we noted inaccuracies, including items incorrectly labeled as restricted and one donation that should have been classified as restricted but was omitted. We continue to recommend that management further enhance the tracking process by implementing a more robust system to accurately record, monitor, and release contributions with donor restrictions, ensuring compliance with donor requirements.

Management's Response: Refuge House has engaged with DonorPerfect, a new CRM database to maintain donations moving forward. We are currently implementing the new software in fiscal year 2025, and believe the enhanced reporting will assist in accuracy. We have also held internal discussions regarding how to differentiate restrictions to aid in clarity for everyone involved in tracking and recording.

## 5. Cost Allocation Plan

In the prior year, we noted that management's Cost Allocation Plan required employees to allocate costs between programs based on actual time, while indirect costs were pooled and allocated using a ratio of direct costs. This year, management amended the policy to allocate indirect costs based on allowable expenses from grant budgets and the portion of work benefiting specific programs, which are spread across fund sources due to limited indirect cost allowances per grant.

According to **2 CFR 200.430(g)(1)(vii)**, budget estimates alone are not sufficient as support for charges to federal awards but may be used for interim purposes. We recommend the following:

- Obtain written approval from the Florida Department of Children and Family Services for the indirect cost allocation plan as outlined in the grant agreement.
- Amend the cost allocation plan to:
  - Reference the State of Florida's Auditor General Rules and Florida Reference Guide for State Expenditures.
  - Include the methodology for depreciation allocation among grants, ensuring that assets purchased and reimbursed by a grant are excluded from depreciation allocation.
  - Adjust the allocation of professional fees and insurance to more accurately reflect the proportional benefit derived from each program.
- **Improve data collection methods** on actual time and effort, considering:
  - Periodic time studies.
  - Timekeeping by program/activity.
  - Personnel Activity Reports (PARs) for employees working on multiple programs.

Management's Response: Refuge House is continually working to clean-up the cost allocation process to be in alignment with federal and state guidelines. We have updated the cost allocation plan for fiscal year 2025, and are working with the auditors on how to best handle improving specific allowances, especially for indirect costs. Refuge House aims to apply for the federal indirect rate in the future. In the meantime, we have already implemented several of these recommendations to improve cost allocation practices.

## 6. Programmatic Report Statistics - Management Acceptance of Risk

In the prior year, management was unable to replicate the statistics reported to the Florida Department of Children and Families (DCF) in the sampled programmatic reports. DCF utilizes a system called OSNIUM, which requires management to input statistical information for report filings. Discussions with the Assistant Director indicated that discrepancies in the reports arise from issues within the OSNIUM system, leading to variations each time reports are generated. While management is unable to reconcile the data within the OSNIUM system, they track client data separately using

## **6. Programmatic Report Statistics - Management Acceptance of Risk (Continued)**

Excel spreadsheets. DCF is aware of these system issues, and at this time, no further recommendations can be made.

Management retains internal statistics to monitor the progress of their programs; however, this issue persisted in the current year during our testing of programmatic statistics. Management has acknowledged and accepted the risk associated with this unresolved issue. As such, this comment will not be carried forward into the next year.

## **7. Online Line Banking and Credit Card Credentials**

In the prior year, we noted that management was using the bank login credentials of former employees and that the Organization's credit card remained in the name of a previous employee. During the current year, management provided documentation confirming that bank login credentials have been updated. However, the credit card is still registered under the name of a former employee. We recommend that Refuge House explore options to obtain a business credit card issued in the name of the Organization. This would ensure that Refuge House, rather than a former employee, holds liability for the credit and aligns with best practices for internal controls.

Management's Response: The Executive Director has returned the credit card that was being used in the previous Executive Director's name along with a letter that Refuge House is not liable for expenses to it after November 1, 2024. The card and letter were hand delivered on November 6<sup>th</sup>. All reoccurring expenditures or copies of the card were removed prior to the return. Refuge House now only has corporate credit cards and has successfully updated prior employee logins to current staff.

## **8. Reconciled Bank Items not Assigned to Funding Code - CORRECTED**

In the prior year, while testing the bank reconciliations, we noted that various items that cleared the bank were categorized as unassigned. These items are left as unassigned until they can be posted to a "F/S" code, which is related to each grant. If costs are not posted to a code, they may not be included in expense reimbursement requests. In the current year, we noted no unassigned items on the bank reconciliations. This comment is considered to be corrected.

## **9. Old Uncleared Items in Bank Reconciliation - CORRECTED**

In the prior year, while testing the bank reconciliation, we noted multiple old transactions which had not cleared the bank. In the current year, we noted no old reconciling items that needed attention. This comment is considered to be corrected.



## **10. Hourly Timesheets Program Reference – CORRECTED**

In the prior year, while testing the timesheets for hourly employees, we noted that they referred to “Program 1” and “Program 2” but these references ultimately did not mean any specific program. We recommended that management review the timesheets and update them accordingly to refer to the programs in which the Organization operates so that time can be recorded and allocated properly. In the current year, management changed payroll systems and this process is no longer followed. This comment is considered corrected.

## **11. Payroll Liability Accounts**

In the prior year, while testing payroll liability accounts, we noted discrepancies in the liability accounts when compared to the supporting documentation. We recommended that management develop a procedure to reconcile the liability account balances to the support. In the current year, we continued to have discrepancies in the payroll liability balances.

Management’s Response: This pertains to much of the clean-up that was still occurring due to the Finance staff transition in 2023. Some of these balances rolled over from the previous fiscal year and needed to be reviewed, and some were due to the transition of the new payroll system that should have been reviewed before the audit process engaged. Refuge House is prepared to ensure accuracy in these accounts moving forward.

## **12. Allowable Costs – Florida Department of Children & Families Grant – CORRECTED**

In the prior year, while reconciling the activity reported in MIP to the grant revenue in the 1<sup>st</sup> quarterly report, we noted that the report submitted had an option to take either a 10% de minimis Modified Total Direct Cost (“MTDC”) or total indirect costs. The formula in the report added both to the total costs and the reports were submitted. The Organization received the duplicated benefit of \$25,778, which was split between federal and state grant funds. We recommended that management work with DCF to resolve the duplicated benefit of these costs. Management communicated the discrepancy to the Florida Department of Children & Families and no further indication of this issue has persisted. This comment is considered to be corrected.

## **CURRENT YEAR COMMENTS:**

### **1. Grant Financial Reports Reviewed by Accounting Department**

During our review of the grant financial report submission process, we observed that financial reports submitted to VOCA were not routed through the accounting department prior to submission. As a result, the accounting department was unable to reconcile the data with accounting records which leads to differences and adjustments that can be caught before submission. We recommend that management establish a process to ensure that all grant financial reports are reviewed and reconciled by the accounting department before submission to grantors.

Management's Response: Refuge House is currently in process of reallocating the VOCA invoice reimbursements submission responsibility from the Grant Manager over to the finance department. This will allow the finance department to request VOCA reimbursements based on actual expenditures, and to be more accurate with the accounting system for ease of reconciliation.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Office of the Attorney General, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Thomson Black Legal Company*

December 11, 2024