

Domestic Abuse Shelter, Inc.

Financial Statements

For the Years Ended June 30, 2025 and 2024

Domestic Abuse Shelter, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Domestic Abuse Shelter, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Domestic Abuse Shelter, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Domestic Abuse Shelter, Inc. as of June 30, 2025 and 2024, 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 audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Domestic Abuse Shelter, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Domestic Abuse Shelter, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 GAAS 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 GAAS 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 Domestic Abuse Shelter, 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 Domestic Abuse Shelter, Inc.'s ability to continue as a going concern for a reasonable period of time.

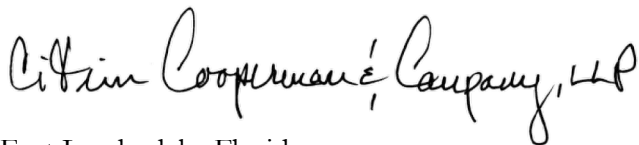
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act*, 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 audits 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 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 March 30, 2026 on our consideration of Domestic Abuse Shelter, 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 Domestic Abuse Shelter, 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 Domestic Abuse Shelter, Inc.'s internal control over financial reporting and compliance.



Fort Lauderdale, Florida
March 30, 2026

FINANCIAL STATEMENTS

Domestic Abuse Shelter, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Current assets:		
Cash	\$ 386,146	\$ 795,037
Grants and contracts receivable	195,148	145,900
Promises to give - donated facilities, current portion	9,147	8,754
Prepaid expenses and other assets	<u>24,570</u>	<u>20,052</u>
Total current assets	<u>615,011</u>	<u>969,743</u>
Noncurrent assets:		
Promises to give - donated facilities, net of current portion	352,754	361,901
Deposits	143,452	13,452
Operating lease right-of-use asset, net	47,013	91,934
Property and equipment, net	<u>1,990,793</u>	<u>273,648</u>
Total noncurrent assets	<u>2,534,012</u>	<u>740,935</u>
Total assets	\$ <u>3,149,023</u>	\$ <u>1,710,678</u>
Liabilities:		
Current liabilities:		
Accounts payable, accrued expenses, and other liabilities	\$ 52,418	\$ 43,605
Current portion of operating lease liability	47,013	44,921
Debt	<u>4,911</u>	<u>4,911</u>
Total current liabilities	104,342	93,437
Noncurrent liabilities:		
Operating lease liability, net of current portion	<u>-</u>	<u>47,013</u>
Total liabilities	<u>104,342</u>	<u>140,450</u>
Net Assets:		
Without donor restrictions:		
Undesignated	2,649,380	901,500
With donor restrictions:		
Purpose and time restrictions (Notes 7 and 10)	<u>395,301</u>	<u>668,728</u>
Total net assets	<u>3,044,681</u>	<u>1,570,228</u>
Total liabilities and net assets	\$ <u>3,149,023</u>	\$ <u>1,710,678</u>

See accompanying notes to financial statements.

Domestic Abuse Shelter, Inc.
Statement of Activities
For the Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Change in Net Assets:			
Public support, gains and revenues:			
Grants and contracts	\$ 2,505,955	\$ -	\$ 2,505,955
Community support	87,708	10,000	97,708
Nonfinancial donations	47,562	-	47,562
Interest income	8,917	-	8,917
Gain on sale of property	489,462	-	489,462
	<u>3,139,604</u>	<u>10,000</u>	<u>3,149,604</u>
Total public support, gains and revenues			
Net assets released from restrictions:			
Satisfaction of purpose and time restrictions	283,427	(283,427)	-
	<u>283,427</u>	<u>(283,427)</u>	<u>-</u>
Total public support, gains, revenues and net assets released from restrictions			
	<u>3,423,031</u>	<u>(273,427)</u>	<u>3,149,604</u>
Operating expenses:			
Program services:			
Shelter	842,551	-	842,551
Outreach	449,164	-	449,164
	<u>1,291,715</u>	<u>-</u>	<u>1,291,715</u>
Total program services			
Supporting services:			
Management and general	285,351	-	285,351
Fundraising	98,085	-	98,085
	<u>383,436</u>	<u>-</u>	<u>383,436</u>
Total supporting services			
	<u>1,675,151</u>	<u>-</u>	<u>1,675,151</u>
Total expenses			
	<u>1,747,880</u>	<u>(273,427)</u>	<u>1,474,453</u>
Change in net assets			
	<u>901,500</u>	<u>668,728</u>	<u>1,570,228</u>
Net Assets, Beginning of Year			
	<u>\$ 2,649,380</u>	<u>\$ 395,301</u>	<u>\$ 3,044,681</u>
Net Assets, End of Year			

See accompanying notes to financial statements.

Domestic Abuse Shelter, Inc.
Statement of Activities
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Change in Net Assets:			
Public support and revenues:			
Grants and contracts	\$ 1,467,297	\$ -	\$ 1,467,297
Community support	72,382	-	72,382
Nonfinancial donations	55,114	-	55,114
Interest income	7,966	-	7,966
Other income	687	-	687
	<u>1,603,446</u>	<u>-</u>	<u>1,603,446</u>
Total public support and revenues	1,603,446	-	1,603,446
Net assets released from restrictions:			
Satisfaction of purpose and time restrictions	<u>8,378</u>	<u>(8,378)</u>	<u>-</u>
	<u>1,611,824</u>	<u>(8,378)</u>	<u>1,603,446</u>
Total public support, revenues and net assets released from restrictions	1,611,824	(8,378)	1,603,446
Operating expenses:			
Program services:			
Shelter	873,389	-	873,389
Outreach	431,065	-	431,065
	<u>1,304,454</u>	<u>-</u>	<u>1,304,454</u>
Total program services	1,304,454	-	1,304,454
Supporting services:			
Management and general	311,482	-	311,482
Fundraising	74,350	-	74,350
	<u>385,832</u>	<u>-</u>	<u>385,832</u>
Total supporting services	385,832	-	385,832
Total expenses	<u>1,690,286</u>	<u>-</u>	<u>1,690,286</u>
	<u>1,690,286</u>	<u>-</u>	<u>1,690,286</u>
Total expenses	1,690,286	-	1,690,286
Change in net assets	(78,462)	(8,378)	(86,840)
Net Assets, Beginning of Year	<u>979,962</u>	<u>677,106</u>	<u>1,657,068</u>
Net Assets, End of Year	<u>\$ 901,500</u>	<u>\$ 668,728</u>	<u>\$ 1,570,228</u>

See accompanying notes to financial statements.

Domestic Abuse Shelter, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2025 (with comparative totals of 2024)

	Program Services			Supporting Services		Total Supporting Services	2025	2024
	Shelter	Outreach	Total Program Services	Management and General	Fundraising		Total	Total
Personnel Costs:								
Salaries and wages	\$ 452,228	\$ 227,582	\$ 679,810	\$ 40,541	\$ -	\$ 40,541	\$ 720,351	\$ 886,145
Employee benefits and taxes	120,745	67,964	188,709	58,590	-	58,590	247,299	186,571
Total personnel costs	572,973	295,546	868,519	99,131	-	99,131	967,650	1,072,716
Other Expenses:								
Advertising	9,318	-	9,318	-	-	-	9,318	5,309
Bank charges	-	-	-	973	-	973	973	155
Communications	6,404	5,794	12,198	18,296	-	18,296	30,494	30,221
Contractual services	13,065	5,249	18,314	64,083	98,085	162,168	180,482	164,843
Dues and subscriptions	-	-	-	6,073	-	6,073	6,073	5,213
Equipment and leasing	-	1,666	1,666	4,283	-	4,283	5,949	5,171
Insurance	41,819	3,615	45,434	21,708	-	21,708	67,142	40,358
Occupancy	45,012	23,491	68,503	54,104	-	54,104	122,607	117,738
Office expenses	6,869	873	7,742	5,337	-	5,337	13,079	39,440
Program supplies	38,434	7,078	45,512	-	-	-	45,512	84,166
Rental assistance and other	34,383	89,443	123,826	40	-	40	123,866	21,388
Repairs and maintenance	45,117	422	45,539	1,086	-	1,086	46,625	41,182
Travel and training	10,084	15,987	26,071	4,409	-	4,409	30,480	28,286
Utilities	19,073	-	19,073	-	-	-	19,073	14,251
Total expenses before provision for depreciation and interest expense	842,551	449,164	1,291,715	279,523	98,085	377,608	1,669,323	1,670,437
Interest expense	-	-	-	73	-	73	73	24
Provision for depreciation	-	-	-	5,755	-	5,755	5,755	19,825
Total expenses	\$ 842,551	\$ 449,164	\$ 1,291,715	\$ 285,351	\$ 98,085	\$ 383,436	\$ 1,675,151	\$ 1,690,286

See accompanying notes to financial statements.

Domestic Abuse Shelter, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services			Supporting Services			Total
	Shelter	Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel Costs:							
Salaries and wages	\$ 520,265	\$ 314,575	\$ 834,840	\$ 51,305	\$ -	\$ 51,305	\$ 886,145
Employee benefits and taxes	98,407	48,056	146,463	38,265	1,843	40,108	186,571
Total personnel costs	618,672	362,631	981,303	89,570	1,843	91,413	1,072,716
Other Expenses:							
Advertising	5,309	-	5,309	-	-	-	5,309
Bank charges	-	-	-	155	-	155	155
Communications	5,129	4,395	9,524	20,697	-	20,697	30,221
Contractual services	11,599	8,603	20,202	72,165	72,476	144,641	164,843
Dues and subscriptions	338	132	470	4,743	-	4,743	5,213
Equipment and leasing	354	1,448	1,802	3,369	-	3,369	5,171
Insurance	26,433	1,386	27,819	12,539	-	12,539	40,358
Occupancy	42,033	21,819	63,852	53,886	-	53,886	117,738
Office expenses	24,903	3,645	28,548	10,892	-	10,892	39,440
Supplies	76,611	7,555	84,166	-	-	-	84,166
Rental assistance and other	16,577	3,430	20,007	1,381	-	1,381	21,388
Repairs and maintenance	7,729	560	8,289	32,893	-	32,893	41,182
Travel and training	12,351	12,218	24,569	3,686	31	3,717	28,286
Utilities	10,735	-	10,735	3,516	-	3,516	14,251
Total expenses before depreciation and interest expense	858,773	427,822	1,286,595	309,492	74,350	383,842	1,670,437
Interest expense	-	-	-	24	-	24	24
Depreciation	14,616	3,243	17,859	1,966	-	1,966	19,825
Total expenses	\$ 873,389	\$ 431,065	\$ 1,304,454	\$ 311,482	\$ 74,350	\$ 385,832	\$ 1,690,286

See accompanying notes to financial statements.

Domestic Abuse Shelter, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,474,453	\$ (86,840)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,755	19,825
Gain on sale of property	(489,217)	-
Amortization of ROU asset	44,921	42,923
Changes in operating assets and liabilities:		
(Increase) decrease in grants and contracts receivable	(49,248)	110,021
Decrease in unconditional promises to give, net	8,754	8,378
(Increase) decrease in prepaid expenses and other assets	(4,518)	22,122
(Increase) in deposit	-	(4,000)
Increase (decrease) in accounts payable, accrued expenses, and other liabilities	8,813	(9,665)
(Decrease) in operating lease liability	(44,921)	(42,923)
Net cash provided by operating activities	<u>954,792</u>	<u>59,841</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	<u>(1,363,683)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,363,683)</u>	<u>-</u>
Cash Flows from Financing Activities:		
Payments on debt	<u>-</u>	<u>(24,169)</u>
Net cash used in financing activities	<u>-</u>	<u>(24,169)</u>
Net (decrease) increase in cash	(408,891)	35,672
Cash, Beginning of Year	<u>795,037</u>	<u>759,365</u>
Cash, End of Year	<u>\$ 386,146</u>	<u>\$ 795,037</u>
Supplemental Disclosure of Non-cash Investing Activities:		
Property and equipment acquired through proceeds of sale of building	<u>\$ 359,217</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Note 1 - Organization and Operations

Domestic Abuse Shelter, Inc. (the "Organization") is a nonprofit corporation organized under the laws of the State of Florida in March of 1981. The Organization has been recognized by the Internal Revenue Service as tax exempt under Section 501(c)(3) of the Internal Revenue Code and files information returns accordingly. The Organization provides domestic violence services for women and children as well as shelter, hotline, outreach, and counseling information. The Organization's services are provided in Monroe County, Florida.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation: Financial statement presentation follows GAAP, which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions are classified under this category. They include certain restrictions that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates those resources be maintained in perpetuity. The Organization does not report any net assets with donor restrictions that are perpetual in nature at June 30, 2025 or 2024.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

At June 30, 2025 and 2024, net assets with donor restrictions are described in Notes 7 and 10 to the financial statements.

Cash and cash equivalents: The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Note 2 - Summary of Significant Accounting Policies (continued)

Promises to give: The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques using risk-adjusted discount rates. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization had unconditional promises to give of \$ 361,901 and \$ 370,655 from rental agreements with the Housing Authority of the City of Key West as of June 30, 2025 and 2024, respectively (Note 7). There were no conditional promises to give as of June 30, 2025 and 2024.

Grants and contracts receivable: Grants and contracts receivable consist principally of claims not yet reimbursed by various grantor/contract agencies. Management periodically reviews the grants, contracts and other receivable balances and provides an allowance for accounts which may become uncollectible. At June 30, 2025 and 2024, management considered the receivables to be fully collectible within the current accounting period and no allowance for uncollectible amounts was considered necessary.

Property and equipment: Property and equipment are carried at cost, if purchased, or at estimated fair value on the date contributed, if donated, less accumulated depreciation. The Organization's policy is to provide for depreciation using the straight-line method over the estimated useful life of each type of asset which is as follows:

Buildings and improvements	39 years
Furniture and equipment	5 - 10 years
Vehicles	5 years

Donations of property and equipment are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Without donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying net assets with donor restrictions to net assets without donor restrictions at that time. Additions and major renewals to property and equipment are capitalized. Maintenance and repairs to property and equipment are charged to expense when incurred.

Leases: The Organization has entered into an operating lease for office space. The obligations associated with this lease have been recognized as a liability in the statements of financial position based on the future lease payments, discounted by the Organization's incremental borrowing rate at the inception of the lease. The Organization determines if an arrangement is or contains a lease at inception. Lease terms may include options to extend or terminate certain leases. The value of an option is reflected in the valuation of the lease if it is reasonably certain management will exercise an option to extend or terminate a lease.

Refundable advances: Revenues received in advance (nonexchange transaction) that are not recognized because the allowable costs or other conditions as defined by the individual grant or contract have not been incurred, the unit of service has not been provided, and/or other the conditions of release have not been substantially met or explicitly waived are considered refundable advances.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue and revenue recognition: The Organization recognizes revenues from nonexchange transactions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived. Grants and contracts revenue is generally billed monthly and is derived from cost-reimbursement contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, is recognized when such expenditures are incurred in compliance with specific contract provisions. At June 30, 2025, revenue approximating \$ 161,500 has not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met. The conditions of the contributions involve serving a specific number of people, successful approval of closeout reports, among other conditions.

Contributed services, goods, and facilities: Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, and are recorded at their fair values in the period received. Contributed goods and facilities are also recorded at their estimated fair value in the period received. Contributed goods and facilities are not monetized by the Organization; they are used in operations.

Functional allocation of expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by functions. Expenses that can be directly identified with a program or supporting service are charged accordingly. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Payroll and related benefits, and most other expenses, are allocated on the basis of estimates of time and effort, unless specifically determined by management on an account-by-account basis. Certain occupancy expenses are allocated on the basis of square footage.

Income taxes: The Organization is a nonprofit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of section 509(a) and qualifies for deductible contributions as provided in section 170(b)(1)(A)(vi). The Organization had no excise or unrelated business income taxes during the years ended June 30, 2025 and 2024.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and receivables. The Organization has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"), subject to applicable limits. At June 30, 2025 and 2024, the Organization had cash balances of approximately \$ 48,500 and \$ 550,000 respectively, at financial institutions that exceed insured amounts. Deposit accounts are maintained with what management believes to be quality financial institutions. The concentration of credit risk with respect to receivables is primarily due to the economic dependency on federal, state, and other agencies and the ability to obtain authorization, process and collect balances timely. The Organization does not require collateral or other security to support receivables.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies (continued)

Date of management review: Management has evaluated subsequent events through March 30, 2026, which is the date the financial statements were available for issuance. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 3 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date ending June 30, 2025, and 2024, are comprised of the following:

	<u>2025</u>	<u>2024</u>
Financial assets, at year-end:		
Cash	\$ 386,146	\$ 795,037
Grants and contracts receivable	<u>195,148</u>	<u>145,900</u>
Financial assets at year-end	581,294	940,937
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions	<u>(33,400)</u>	<u>(298,073)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>547,894</u>	\$ <u>642,864</u>

Unconditional promises to give are not included in the above table because they represent noncash assets and thus are not available to meet the Organization's cash needs (Note 7).

In the event of unanticipated liquidity needs, the Organization could draw up to \$ 50,000 upon its available line of credit (Note 8).

Domestic Abuse Shelter, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 4 - Property and Equipment

Property and equipment consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 921,043	\$ 138,846
Furniture and equipment	21,607	21,607
Vehicles	<u>73,478</u>	<u>73,478</u>
	1,016,128	233,931
Less: accumulated depreciation	<u>(144,775)</u>	<u>(139,020)</u>
	871,353	94,911
Land	1,048,451	67,954
Construction in process	<u>70,989</u>	<u>110,783</u>
Net property and equipment	<u>\$ 1,990,793</u>	<u>\$ 273,648</u>

During the year ended June 30, 2025, the Organization sold a shelter facility, resulting in a gain on sale of property of \$ 489,462, which is included in the accompanying Statement of Activities. In connection with the transaction, \$ 130,000 was deposited into an escrow account, which is recorded within Deposits on the Statement of Financial Position as of June 30, 2025. The escrow balance will be released to the Organization upon the transfer of certain building rights, as required under the terms of the sale agreement.

Additionally, the Organization purchased a new shelter facility, and renovation and upgrade activities required for the facility to be placed into service are currently in progress.

Note 5 - Grants and Contracts Receivable

Receivables from grants and contracts at June 30, 2025 and 2024 were comprised of the following:

	<u>2025</u>	<u>2024</u>
State of Florida, Office of the Attorney General - Victims of Crime Act (VOCA)	\$ 64,240	\$ 46,085
Florida Department of Children and Families	90,260	73,216
Monroe County Board of County Commissioners	<u>40,648</u>	<u>26,599</u>
	<u>\$ 195,148</u>	<u>\$ 145,900</u>

Domestic Abuse Shelter, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 6 - Donated Goods, Services and Facilities

For the years ended June 30, 2025 and 2024, the Organization recorded in-kind revenues to program services for donated goods, services and facilities as follows:

Non-financial contributions	Valuation	2025	2024
Donated food and clothing	U.S. wholesale prices of identical or similar products	\$ 2,550	\$ 12,256
Donated facilities	Comparable rents in the same geographic area	<u>45,012</u>	<u>42,858</u>
Total \$		<u><u>47,562</u></u>	<u><u>55,114</u></u>

Contributed food and supplies are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed food, clothing, and facilities are used in program services, management and general, and fundraising activities. None of the contributed nonfinancial assets were subject to donor-imposed restrictions.

Note 7 - Unconditional Promises to Give

The Organization previously entered into lease agreements that do not require the Organization to pay a market rate of rent for the use of certain facilities for its program services. These agreements consist of two units owned by the City of Key West, leased to the Housing Authority of the City of Key West and sub-leased to the Organization at a cost of \$ 1 per year. The sub-leases shall be for a 43-year term unless terminated pursuant to a master lease, and so long as the term does not conflict with the City of Key West’s Charter. In the event of such conflict, the term shall be 20 years. The Organization is responsible for the costs of rehabilitation, utilities, and insurance. The present value of these leases, discounted using an interest rate of 4.40%, is recorded as unconditional promises to give as follows:

	2025	2024
Bargain sub-leases	\$ 617,963	\$ 642,851
Less: discount to present value	<u>(256,062)</u>	<u>(272,196)</u>
Net unconditional promises to give	<u><u>\$ 361,901</u></u>	<u><u>\$ 370,655</u></u>
The promises to give are due as follows:		
Current portion, one year or less	<u>\$ 9,147</u>	<u>\$ 8,754</u>
Noncurrent portion:		
Receivable in two to five years	40,417	39,128
Receivable in more than five years	<u>312,337</u>	<u>322,773</u>
Total noncurrent portion	<u>352,754</u>	<u>361,901</u>
Total	<u><u>\$ 361,901</u></u>	<u><u>\$ 370,655</u></u>

Domestic Abuse Shelter, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 8 - Line of Credit

The Organization has a \$ 50,000 revolving line of credit with a financial institution for working capital needs. Interest is payable monthly at the published prime rate, plus 1.250% (8.75% as of June 30, 2025). This credit facility matures in February 2027 and is secured by all receivables of the Organization. As of June 30, 2025 and 2024, there was no balance owed on the line of credit.

Note 9 - Debt

Debt as of June 30, 2025 and 2024, respectively, consists of:

	<u>2025</u>	<u>2024</u>
insurance premiums, payable in monthly installments of approximately \$ 2,800, including interest at a fixed rate of 10.43%, through June 2025. This obligation is collateralized by unexpired insurance premiums.	\$ <u>4,911</u>	\$ <u>4,911</u>
	4,911	4,911
Less: current portion on debt	<u>(4,911)</u>	<u>(4,911)</u>
	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Dissolution payroll reserve	\$ 33,400	\$ 33,400
Shelter construction	-	264,673
Unconditional promises to give, net that are restricted by donors for:		
Bargain sub-leases	<u>361,901</u>	<u>370,655</u>
	\$ <u><u>395,301</u></u>	\$ <u><u>668,728</u></u>

Note 10 - Net Assets with Donor Restrictions (continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or the occurrence of the passage of time or other events specified by the donors are as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Satisfaction of purpose restrictions or time restrictions:		
Shelter construction	\$ 274,673	\$ -
Bargain sub-leases	<u>8,754</u>	<u>8,378</u>
	<u>\$ 283,427</u>	<u>\$ 8,378</u>

Note 11 - Commitments and Contingencies

Legal: From time to time, the Organization can be subject to claims and litigation arising in the normal course of operations. There were no such accrued amounts for litigation as of June 30, 2025 and 2024.

Grants and contracts: The Organization receives financial assistance from Federal, state, and local governmental agencies in the form of grants and contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. As a result of such audits, the grantor may require that amounts be returned. At June 30, 2025 and 2024, the Organization had \$ 2,099 and \$0, respectively, required to be returned.

Leases: The right-of-use asset and corresponding liability associated with future lease payments at June 30, 2025 and 2024, are \$ 47,013 and \$ 91,934, respectively, measured using the Organization's incremental borrowing rate of 4.56% at the inception of the lease. This lease is for the Organization's Marathon office space and expires on June 30, 2026. During the year ended June 30, 2025, the lease cost and cash paid for the lease were both \$ 48,000.

The future approximate minimum lease payments required under these leases as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 48,000
	<u>48,000</u>
Less: present value discount	<u>(987)</u>
	<u>\$ 47,013</u>

Note 12 - Concentrations

The Organization receives a substantial portion of its support from grants administered by Federal, state, and local agencies. Changes in governmental appropriations could have a material adverse effect on the Organization's ability to continue to provide its services at the same level. Approximately 95% of the Organization's public support and revenue for the year ended June 30, 2025, is from three separate grantor agencies. Approximately all of the Organization's receivables are due from three grantor agencies.

Note 13 - Retirement Plan

The Organization maintains a 401(k)-employee benefit plan (the "Plan") covering substantially all employees who have completed one year of service. The Organization is required to match the employees' deferral contributions up to a maximum of 3% of each employee's compensation. The Organization's retirement expense was approximately \$ 7,600 and \$ 11,000 for the years ended June 30, 2025 and 2024, respectively.

Note 14 - Supplemental Cash Flow Information

Supplemental disclosure of cash flow information:

	<u>2025</u>	<u>2024</u>
Cash paid during the year for -		
Interest expense	\$ <u>73</u>	\$ <u>24</u>
Noncash investing and financing activities:		
Acquisition of insurance policy -		
Cost of insurance policy	\$ 4,911	\$ 4,911
Less: financing	<u>(4,911)</u>	<u>(4,911)</u>
Cash paid for insurance policy	\$ <u>-</u>	\$ <u>-</u>
Noncash additions to operating lease right-of-use asset and operating lease liability	\$ <u>-</u>	\$ <u>-</u>

SUPPLEMENTAL INFORMATION

Domestic Abuse Shelter, Inc.
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2025

<u>State Agency, Pass-through Grantor, State Project</u>	<u>State Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total State Expenditures</u>	<u>Provided to Subrecipients</u>
State Financial Assistance:				
Direct projects:				
Florida Department of Children and Families -				
Family Safety & Preservation Services	60.134	-	\$ 651,122	\$ -
Family Safety & Preservation Services	60.139	-	<u>75,000</u>	<u>-</u>
Total Family Safety & Preservation Services			726,122	-
Monroe County - Emergency Domestic Violence Shelter	60.327	-	<u>1,000,000</u>	<u>-</u>
Total Florida Department of Children and Families			<u>1,726,122</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,726,122</u>	<u>\$ -</u>

See notes to schedule of expenditures of state financial assistance and independent auditor's report.

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") includes the grant activity of Domestic Abuse Shelter, Inc. (the "Organization") and is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act*. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the financial statements. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, as applicable.

INTERNAL CONTROLS AND COMPLIANCE

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

To the Board of Directors
Domestic Abuse Shelter, Inc.

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 Domestic Abuse Shelter, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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.

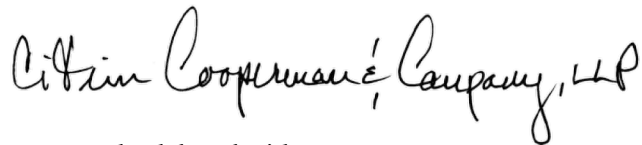
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



Fort Lauderdale, Florida
March 30, 2026



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE FLORIDA AUDITOR GENERAL

To the Board of Directors
Domestic Abuse Shelter, Inc.

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Domestic Abuse Shelter, Inc.'s (a nonprofit organization) (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major state projects for the year ended June 30, 2025. The Organization's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 state projects for the year ended June 30, 2025.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); 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 Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act* ("Chapter 10.650"). Our responsibilities under those standards and Chapter 10.650, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 GAAS, *Government Auditing Standards*, and Chapter 10.650, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization'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 Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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.

Other Matters

The result of our auditing procedures disclosed an instance of noncompliance which are required to be reported in accordance with the Uniform Guidance and is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control over Compliance

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, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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 state project 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 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

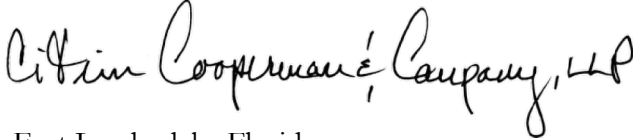
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance and internal control findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Organization is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Organization's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it

Report on Internal Control over Compliance (Continued)

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 Chapter 10.650. Accordingly, this report is not suitable for any other purpose.



Fort Lauderdale, Florida
March 30, 2026

Domestic Abuse Shelter, Inc.
Schedule of Findings and Questioned Costs Relating to State Financial Assistance
For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<i>Unmodified</i>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

State Projects

Internal control over major state projects:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> none reported

Type of auditor's report issued on compliance for the major state project:	<i>Unmodified</i>	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656, <i>Rules of the Florida Auditor General</i> ?	<u> X </u> yes	<u> </u> no

Identification of major state project(s):

<u>CSFA No.</u>	<u>State Projects</u>
60.327	Florida Department of Children and Families - Monroe County - Emergency Domestic Violence Shelter
60.134	Florida Department of Children and Families - Family Safety & Preservation Services

Dollar threshold used to distinguish between Type A and Type B projects:	\$ 517,836
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SECTION II - FINANCIAL STATEMENTS FINDINGS

None Reported.

Domestic Abuse Shelter, Inc.
Schedule of Findings and Questioned Costs Relating to State Financial Assistance (continued)
For the Year Ended June 30, 2025

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Finding 2025-001: Florida Department of Children and Families – Monroe County – Emergency Domestic Violence Shelter – CSFA 60.327 – Significant Deficiency – Compliance and Controls over Cash Management – Unreturned Interest Income

Criteria: Cash management provisions outlined by the grant agreement require that interest earned on advance funds be returned to the funding agency. Internal controls should ensure staff understand applicable compliance requirements and detect noncompliance.

Condition: The Organization held advanced funds for the “Sunshine House” purchase in an interest-bearing account and did not remit the interest earned before the grant close out process. Existing controls failed to identify the requirement to return interest and did not detect the omission.

Cause: The Organization did not have procedures to identify relevant cash-management requirements and to monitor and remit interest earned on advanced funding.

Effect: This resulted in noncompliance, a failure of internal controls, and \$2,099 in unreturned interest, exposing the Organization to repayment and compliance risk.

Recommendation: Management should establish formal compliance and control procedures to identify, track, and document interest earned on advanced funds, assign responsibility for regular review of advanced balances and related interest, and incorporate cash management requirements into written policies to ensure timely remittance of interest in accordance with the agreement.

Views of Responsible Officials: This is the first grant DAS has received for purchase of capital items and return of interest. The contract manager was focusing on the first right to the property report being completed prior to the transaction being considered final. Since the finding, we will create policy to return interest immediately upon expending the grant funds regardless of the status of the purchase/transaction.

SECTION IV – PRIOR YEAR AUDIT FINDINGS

None reported.



Corrective Action Plan

Finding 2025-001: Florida Department of Children and Families – Monroe County – Emergency Domestic Violence Shelter – CSFA 60.327 – Significant Deficiency – Compliance and Controls over Cash Management – Unreturned Interest Income

DAS does not dispute the finding. Interest earned had not been returned to the funder at the time of our audit.

The root cause of the issue was concentrating on meeting the most demanded requirement of acquiring the first right to property. We viewed the interest return was part of closing the contract.

Future capital funding should include immediate return of interest after the capital purchase is made.

The responsibility of interest returns will be with the CFO.

The responsibility of this task is immediate and will be completed within one week of the capital purchase is made.

Prior to securing a capital purchase grant, the CEO and CFO will review the timeline for purchase and include a check request immediately when the grant is funded with the total earned interest calculated once the capital purchase has cleared the bank and no further interest is accrued.