

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
FORT MYERS, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015



OFFICES IN FORT MYERS AND NAPLES 12671 Whitehall Drive • Fort Myers, Florida 33907-3626 • 239.939.5775 • fax 239.939.3032
999 Vanderbilt Beach Road, Suite 200 • Naples, Florida 34108 • 239.919.5086 • fax 239.939.3032

THE EXCEPTION TO THE RULE mbcopa@mbcopa.com

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	2-3
FINANCIAL STATEMENTS	
Statement of Financial Position.....	4
Statement of Activities	5
Statement of Cash Flows	6
Statement of Functional Expenses.....	7-8
Notes to Financial Statements	9-15
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	17-18
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 <i>Government Auditing Standards</i>	19-20
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance required by OMB Circular A-133 and Chapter 10.650 Rules of the Auditor General.....	21-22
Schedule of Findings and Questioned Costs	23-24
Summary Schedule of Prior Audit Findings	25

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Children's Advocacy Center of SW Florida, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Children's Advocacy Center of SW Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.650, Rules of the Auditor General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Advocacy Center of SW Florida, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors of
Children's Advocacy Center of SW Florida, Inc.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the Florida Single Audit Act (Florida Statute 215.97) and Chapter 10.650, Rules of the 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2015, on our consideration of Children's Advocacy Center of SW Florida, 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 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 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 Children's Advocacy Center of SW Florida, Inc.'s internal control over financial reporting and compliance.



MYERS, BRETT HOLTZ & COMPANY, PA
Fort Myers, Florida
November 6, 2015

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS	
CURRENT ASSETS	
Cash	\$ 1,134,839
Accounts receivable	1,129
Grants receivable	195,628
Other receivables	85,959
Prepaid expenses	65,896
Total current assets	<u>1,483,451</u>
PROPERTY AND EQUIPMENT, net	<u>2,863,568</u>
Total assets	<u><u>\$ 4,347,019</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 22,587
Accrued payroll	104,291
Other accrued liabilities	29,276
Compensated absences	96,691
Deferred revenue	12,285
Current portion of long-term debt	91,342
Total current liabilities	<u>356,472</u>
LONG-TERM LIABILITIES	
Long-term debt, net of current portion	<u>1,236,767</u>
Total liabilities	<u>1,593,239</u>
NET ASSETS	
Unrestricted, undesignated	2,598,763
Unrestricted, Board designated	11,115
Total unrestricted net assets	<u>2,609,878</u>
Temporarily restricted	<u>143,902</u>
Total net assets	<u>2,753,780</u>
Total liabilities and net assets	<u><u>\$ 4,347,019</u></u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT			
Federal and state grants	\$ 1,820,510	\$ -	\$ 1,820,510
Contributions	535,244	-	535,244
United Way	302,223	-	302,223
Other grants, client and agency fees	772,829	-	772,829
Interest	1,735	-	1,735
Net assets released from restrictions	56,020	(56,020)	-
	3,488,561	(56,020)	3,432,541
EXPENSES			
Program services	2,839,783	-	2,839,783
Supporting services	417,267	-	417,267
	3,257,050	-	3,257,050
Increase (decrease) in net assets	231,511	(56,020)	175,491
NET ASSETS - July 1, 2014	2,378,367	199,922	2,578,289
NET ASSETS - June 30, 2015	\$ 2,609,878	\$ 143,902	\$ 2,753,780

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	<u>\$ 175,491</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	105,518
Non-cash donation of equipment	(2,895)
Changes in:	
Accounts receivable	(676)
Grants receivable	(64,568)
Pledges receivable	200
Other receivables	52,830
Prepaid expenses	(7,427)
Deposits	545
Accounts payable	(30,047)
Accrued payroll	9,635
Other accrued liabilities	1,057
Compensated absences	81
Deferred revenue	<u>6,350</u>
Total adjustments	<u>70,603</u>
Net cash provided by operating activities	246,094
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(28,935)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	<u>(127,619)</u>
Net increase in cash	89,540
CASH - July 1, 2014	<u>1,045,299</u>
CASH - June 30, 2015	<u><u>\$ 1,134,839</u></u>

SUPPLEMENTAL DISCLOSURE:

Cash paid for interest	<u>\$ 72,708</u>
Non cash donation	<u><u>\$ 2,895</u></u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Program Services			Total Program Services
	Child Protection Team	Family Alliance	Prevention	
Salaries	\$ 966,584	\$ 488,089	\$ 361,922	\$ 1,816,595
Employee benefits	174,880	89,715	67,762	332,357
Payroll taxes	77,719	39,929	30,852	148,500
Advertising	2,217	651	371	3,239
Attorney	10,800	-	-	10,800
Audit	7,064	3,998	2,266	13,328
Bank charges	-	-	-	-
Computer	16,216	10,507	5,938	32,661
Dues and subscriptions	3,554	1,155	862	5,571
Fund raising	-	-	-	-
Furniture and equipment	2,877	488	791	4,156
Insurance	22,774	12,884	9,516	45,174
Interest	19,233	10,797	5,960	35,990
Janitorial	12,047	6,804	3,829	22,680
Leased equipment	10,083	2,932	1,645	14,660
Licenses and taxes	780	1,064	66	1,910
Maintenance	8,415	2,812	2,577	13,804
Medical supplies	21,222	-	-	21,222
Office	915	1,123	5,048	7,086
Other professional fees	14,159	7,058	3,999	25,216
Postage and shipping	889	275	174	1,338
Printing	2,642	1,491	793	4,926
Psychiatric services	-	1,350	-	1,350
Psychological services	5,000	-	-	5,000
Security	698	395	260	1,353
Supplies	18,361	9,253	15,141	42,755
Telephone	24,143	3,727	7,400	35,270
Training and education	1,617	1,740	392	3,749
Transcription	11,761	-	-	11,761
Travel and conference	21,672	12,369	8,141	42,182
Utilities	15,896	8,945	9,074	33,915
X-ray and lab	2,048	-	-	2,048
Total expenses before depreciation	<u>1,476,266</u>	<u>719,551</u>	<u>544,779</u>	<u>2,740,596</u>
Depreciation	<u>54,870</u>	<u>29,545</u>	<u>14,772</u>	<u>99,187</u>
Total expenses	<u><u>\$ 1,531,136</u></u>	<u><u>\$ 749,096</u></u>	<u><u>\$ 559,551</u></u>	<u><u>\$ 2,839,783</u></u>

	Supporting Services		Total Supporting Services	Total
	General and Administrative	Fund raising		
Salaries	\$ 216,835	\$ 63,640	\$ 280,475	\$ 2,097,070
Employee benefits	39,672	7,842	47,514	379,871
Payroll taxes	17,726	4,516	22,242	170,742
Advertising	170	-	170	3,409
Attorney	-	-	-	10,800
Audit	-	-	-	13,328
Bank charges	414	-	414	414
Computer	2,559	336	2,895	35,556
Dues and subscriptions	-	-	-	5,571
Fund raising	-	151	151	151
Furniture and equipment	391	-	391	4,547
Insurance	2,390	239	2,629	47,803
Interest	36,354	364	36,718	72,708
Janitorial	1,200	120	1,320	24,000
Leased equipment	795	78	873	15,533
Licenses and taxes	101	-	101	2,011
Maintenance	734	73	807	14,611
Medical supplies	-	-	-	21,222
Office	2,936	51	2,987	10,073
Other professional fees	-	-	-	25,216
Postage and shipping	71	7	78	1,416
Printing	306	26	332	5,258
Psychiatric services	-	-	-	1,350
Psychological services	-	-	-	5,000
Security	71	7	78	1,431
Supplies	4,694	239	4,933	47,688
Telephone	1,866	187	2,053	37,323
Training and education	-	-	-	3,749
Transcription	-	-	-	11,761
Travel and conference	747	881	1,628	43,810
Utilities	1,967	180	2,147	36,062
X-ray and lab	-	-	-	2,048
Total expenses before depreciation	331,999	78,937	410,936	3,151,532
Depreciation	5,276	1,055	6,331	105,518
Total expenses	\$ 337,275	\$ 79,992	\$ 417,267	\$ 3,257,050

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - THE ORGANIZATION

Children's Advocacy Center of SW Florida, Inc. (the "Organization") was incorporated on February 22, 1984, under the laws of Florida as a nonprofit organization to improve the lives of children and their families through a coordinated response to child abuse and neglect.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 6, 2015, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Grants and Other Receivables

Grants and other receivables are generally considered delinquent when they are one day past due. Management has reviewed grants and other receivables outstanding as of June 30, 2015 and considers them to be fully collectible. Based on this and the Organization's prior history of insignificant bad debts on grants and other receivables, no allowance for uncollectible accounts is considered necessary. Expense is recognized during the period in which a specific account is determined to be uncollectible. The Organization did not incur any bad debt expense for the year ended June 30, 2015.

Property and Equipment

Property and equipment are recorded at cost. Donated assets are recorded at their fair market value at the time of donation. Additions and major renewals in excess of \$1,000 and an estimated useful life of more than one year are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to operations, as incurred. See Note 7 for additional information.

Compensated Absences

The Organization accumulates and records a contingent liability for compensated absences. The amount accrued is based upon the total of each employee's accrued vacation time, based on a calendar year.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Management has analyzed its various federal filing positions and believes that the Organization's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The Organization's federal income tax returns remain subject to examination by the Internal Revenue Service for three years from the date of filing.

The Organization has been granted a ruling that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The Organization is a non-profit Florida corporation, and therefore, is not subject to state income taxes. Accordingly, no provision for income taxes has been made. The Organization is not considered a private foundation within the meaning of Section 509(a) of the Code.

Fair Value of Financial Instruments

Substantially all of the Organization's assets and liabilities, excluding prepaid expenses, property and equipment and deferred revenue, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value, because of the short maturity of the instrument.

Revenues and Support

Contributions and other grants, client and agency fees received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Support from federal and state grants is recorded based upon the terms of the grantor allotment, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred.

Advertising Costs

Costs related to advertising are expensed as incurred.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Flows

The Organization made no cash payments for income tax and cash payments of \$72,708 for interest during the year ended June 30, 2015.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific cost center or program service are allocated according to their natural expense classification. Facility related expenses are allocated according to a percentage of total square footage methodology. Other expenses that are common to several functions are allocated by using management estimates.

Estimates

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

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). The uninsured cash balance as of June 30, 2015 was \$455,740, based on the bank statement balances, less the FDIC insurance.

NOTE 5 - GRANTS RECEIVABLE

Grants receivable consisted of the following as of June 30, 2015:

National Children's Alliance	\$ 43,495
Parent Education Program	7,275
State of Florida - VOCA	37,234
State of Florida - CPT	104,700
State of Florida - SATP	2,924
	<u>\$ 195,628</u>

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - OTHER RECEIVABLES

Other receivables consisted of the following as of June 30, 2015:

Crimes compensation	\$ 19,000
Lee County medical exams	12,500
Family First	18,364
Medicaid	5,894
Lee County - PFR	9,635
Children's Hospital of SWF	3,100
National Children's Alliance	4,600
Charlotte County medical exams	8,600
Hendry County medical exams	1,750
Other	2,516
	<u>\$ 85,959</u>

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2015:

	Estimated Useful Lives	Amount
Land	N/A	\$ 300,000
Building	5-40 years	1,718,291
Building improvements	10-40 years	1,225,387
Furniture and equipment	3-40 years	275,003
		<u>3,518,681</u>
Less: accumulated depreciation		(655,113)
		<u>\$ 2,863,568</u>

Depreciation expense for the year ended June 30, 2015, was \$105,518 and is allocated between program and supporting services.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 8 - LONG TERM DEBT

The Organization's long-term debt includes a mortgage payable for the purchase of a building and real property. Long-term debt consisted of the following as of June 30, 2015:

Mortgage payable - original amount \$1,400,000; 150 monthly payments of \$11,813 for principal and interest; fixed rate of 3.85%; balance due on September 18, 2027; secured by real property	\$ 1,328,109
Less: current maturities	(91,342)
Long-term debt, net of current portion	<u><u>\$ 1,236,767</u></u>

Future maturities of long-term debt are as follows:

Years ending June 30,		
2016	\$	91,342
2017		95,167
2018		98,949
2019		102,881
2020		106,876
Thereafter		832,894
		<u><u>\$ 1,328,109</u></u>

Interest expense for the year ended June 30, 2015 was \$72,708 and is allocated between program and supporting services.

NOTE 9 - LINE OF CREDIT

The Organization has a revolving line of credit with a financial institution expiring on March 18, 2016. The Organization may draw on the line of credit for a maximum of \$250,000. The interest rate on the line of credit is equal to the Wall Street Journal prime rate. As of June 30, 2015, there was no outstanding balance on the line of credit. There was no interest expense on the line of credit for the year ended June 30, 2015.

NOTE 10 - LEE COUNTY GRANTS AND CONTRACTS

The Organization received \$130,961 of financial support from Lee County for Family Alliance and Pine Manor After School Program. The Organization also received \$180,500 of financial support from Lee County for medical examinations performed under the Child Protection Team ("CPT") program. These amounts are included in other grants, client and agency fees.

NOTE 11 - BOARD DESIGNATED NET ASSETS

Board designated net assets consist of funds set aside by the Board of Directors (the "Board") as a memorial fund in memory of Cliff Chaipel, a past Board member. As of June 30, 2015, the balance was \$11,115.

Read Independent Auditor's Report.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of third party billings - CPT of \$143,902 as of June 30, 2015.

NOTE 13 - AGENCY ENDOWMENT FUND

In August 2000, the Organization entered into an agreement with Southwest Florida Community Foundation (the "Foundation") to create an endowment fund for the benefit of the Organization. The endowment fund shall be used for the support of the charitable or educational purposes of the Organization. The balance for the year ended June 30, 2015 was \$12,939.

NOTE 14 - OPERATING LEASES

The Organization has multiple office equipment leases expiring between December 2017 and May 2018. Lease expense for the year ended June 30, 2015 was \$15,533 and is allocated between program and supporting services.

Future minimum payments required under the leases are as follows:

<u>Years ending June 30,</u>	
2016	\$ 14,465
2017	14,465
2018	7,280
	<u>\$ 36,210</u>

NOTE 15 - PENSION PLAN

The Organization maintains a Profit Sharing and Safe Harbor 401(k) Plan.

Employees who have completed at least 1,000 hours of service per year, have attained the age of 18, and who are employed for at least two consecutive years are eligible to participate in the Profit Sharing Plan. The Organization, in its sole discretion, may make an additional profit sharing contribution. For the year ended June 30, 2015, the Organization's contribution was 6% of eligible compensation to the plan.

Employees who have completed at least 1,000 hours of service per year, have attained the age of 18, and who are employed for at least one year are eligible to participate in the Safe Harbor 401(k) Plan. Employees are eligible to enter the plan, on the plan entry dates of January 1 or July 1, depending on when they attained their one year of service. Under the Safe Harbor 401(k) Plan, the Organization contributes a matching contribution equal to 100% of the employee's deferrals which do not exceed 4% of the employee's compensation.

The total contribution for the Profit Sharing and Safe Harbor 401(k) Plan for the year ended June 30, 2015 was \$113,324.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 - MATCHING REQUIREMENTS

The Organization received a portion of its support from federal and state funds passed through the Florida Department of Health. The grant had matching requirements, which were met during the year ended June 30, 2015.

NOTE 17 - ECONOMIC DEPENDENCY

During the year ended June 30, 2015, the Organization received approximately 35% of its revenue from a grant from the State of Florida Department of Health and 11% of its revenue from a private foundation.

SUPPLEMENTARY INFORMATION

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Passed through the State of Florida			
Department of Health			
Social Services Block Grant (1)	93.667	CPS8B	\$ 543,291
Passed through Children's Network of Southwest Florida, LLC			
Promoting Safe and Stable Families	93.556	BBL02	7,275
Temporary Assistance for Needy Families	93.558	BBL02	39,511
Child Abuse and Neglect State Grants	93.669	BBL02	2,657
Stephanie Tubbs Jones Child Welfare Services Program	93.645	BBL02	<u>2,940</u>
Total U.S. Department of Health and Human Services			<u>595,674</u>
U.S. Department of Justice:			
Passed through the State of Florida			
Office of the Attorney General			
Crime Victim Assistance (1)	16.575	V13210	49,573
Crime Victim Assistance (1)	16.575	V137-14210	176,141
Passed through Florida Network of Children's Advocacy Centers			
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	3-FTMY-FL-SA15	<u>8,820</u>
Total U.S. Department of Justice			<u>234,534</u>
Total expenditures of federal awards			<u>\$ 830,208</u>

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

State Department/ Project Title	CSFA Number	Grant Number	State Expenditures
Florida Department of Health:			
Medical Services for Abused and Neglected Children (1)	64.006	CPS8B	\$ 667,324
Medical Services for Abused and Neglected Children (1)	64.006	CSAFM	<u>35,000</u>
Total Florida Department of Health			702,324
State Courts System:			
Passed through Florida Network for Children's Advocacy Centers, Inc. FL Network of Children Advocacy Centers	22.016	N/A	<u>287,978</u>
Total expenditures of state financial assistance			<u>\$ 990,302</u>
Total expenditures of federal awards and state financial assistance			<u><u>\$ 1,820,510</u></u>

(1) Denotes a major program/project

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal grant and state financial assistance activity of Children's Advocacy Center of SW Florida, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the Florida Single Audit Act (Florida Statute 215.97) and Chapter 10.650, Rules of the Florida Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

To the Board of Directors of
Children's Advocacy Center of SW Florida, 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 Children's Advocacy Center of SW Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Children's Advocacy Center of SW Florida, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Children's Advocacy Center of SW Florida, Inc.'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

To the Board of Directors of
Children's Advocacy Center of SW Florida, Inc.

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.



MYERS, BRETT HOLTZ & COMPANY, PA
Fort Myers, Florida
November 6, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL

To the Board of Directors of
Children's Advocacy Center of SW Florida, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited Children's Advocacy Center of SW Florida, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Children's Advocacy Center of SW Florida, Inc.'s major federal programs and state projects for the year ended June 30, 2015. Children's Advocacy Center of SW Florida, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Children's Advocacy Center of SW Florida, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards and OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state projects occurred. An audit includes examining, on a test basis, evidence about Children's Advocacy Center of SW Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Children's Advocacy Center of SW Florida, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Children's Advocacy Center of SW Florida, 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, 2015.

To the Board of Directors of
Children's Advocacy Center of SW Florida, Inc.

Report on Internal Control Over Compliance

Management of Children's Advocacy Center of SW Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Children's Advocacy Center of SW Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Children's Advocacy Center of SW Florida, Inc.'s internal control over compliance.

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

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

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 OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



MYERS, BRETT HOLTZ & COMPANY, PA
Fort Myers, Florida
November 6, 2015

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? __ yes no

Significant deficiencies identified that are not considered to be material weaknesses? __ yes none reported

Noncompliance material to financial statements noted? __ yes no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? __ yes no

Significant deficiencies identified that are not considered to be material weaknesses? __ yes none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? __ yes no

Major program:

CFDA Number 93.667 Social Services Block Grant

CFDA Number 16.575 Crime Victim Assistance

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? __ yes no

State Financial Assistance

Internal control over major state projects:

Material weakness(es) identified? __ yes no

Significant deficiencies identified that are not considered to be material weaknesses? __ yes none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.654(1)(g) ? __ yes no

Major project:

CSFA Number 64.006 Medical Services for Abused and Neglected Children

Dollar threshold used to distinguish between type A and type B projects: \$297,091

Auditee qualified as low-risk auditee? yes __ no

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE AUDIT

None

OTHER ISSUES

No management letter is required because there were no findings required to be reported in the management letter.

No corrective action plan is required because there were no findings required to be reported under OMB Circular A-133 or the Florida Single Audit Act.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

There were no prior year audit findings for the year ended June 30, 2015.