

**CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.**  
FORT MYERS, FLORIDA  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016



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## 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, 2016, 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, 2016, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Florida Single Audit Act (Florida Statute 215.97) 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 21, 2016, 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 21, 2016

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2016

ASSETS

CURRENT ASSETS

Cash	\$ 723,296
Investments	9,982
Accounts receivable	2,029
Grants receivable	278,460
Other receivables	64,708
Prepaid expenses	68,860
Total current assets	<u>1,147,335</u>

PROPERTY AND EQUIPMENT, net

2,772,836

Total assets

\$ 3,920,171

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 26,513
Accrued payroll	34,434
Other accrued liabilities	37,090
Compensated absences	101,700
Deferred revenue	1,735
Current portion of long-term debt	105,865
Total current liabilities	<u>307,337</u>

LONG-TERM LIABILITIES

Long-term debt, net of current portion

874,592

Total liabilities

1,181,929

NET ASSETS

Unrestricted, undesignated	2,593,883
Unrestricted, Board designated	11,115
Total unrestricted net assets	<u>2,604,998</u>

Temporarily restricted

133,244

Total net assets

2,738,242

Total liabilities and net assets

\$ 3,920,171

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, 2016

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>			
Federal and state grants	\$ 1,944,426	\$ -	\$ 1,944,426
Contributions	402,564	-	402,564
United Way	337,850	-	337,850
Other grants, client and agency fees	742,271	-	742,271
Interest	646	-	646
Net loss on investments	(457)	-	(457)
Net assets released from restrictions	10,658	(10,658)	-
	<u>3,437,958</u>	<u>(10,658)</u>	<u>3,427,300</u>
<b>EXPENSES</b>			
Program services	2,975,202	-	2,975,202
Supporting services	478,075	-	478,075
	<u>3,453,277</u>	<u>-</u>	<u>3,453,277</u>
Decrease in net assets	(15,319)	(10,658)	(25,977)
NET ASSETS - July 1, 2015 <i>(Unrestricted restated)</i>	<u>2,620,317</u>	<u>143,902</u>	<u>2,764,219</u>
NET ASSETS - June 30, 2016	<u>\$ 2,604,998</u>	<u>\$ 133,244</u>	<u>\$ 2,738,242</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 CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	<u>\$ (25,977)</u>
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Net loss on investments	457
Depreciation	111,052
Changes in:	
Accounts receivable	(900)
Grants receivable	(82,832)
Other receivables	21,251
Prepaid expenses	(2,964)
Accounts payable	3,926
Accrued payroll	(69,857)
Other accrued liabilities	7,814
Compensated absences	5,009
Deferred revenue	<u>(10,550)</u>
Total adjustments	<u>(17,594)</u>
Net cash used by operating activities	(43,571)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(20,320)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	<u>(347,652)</u>
Net decrease in cash	(411,543)
CASH - July 1, 2015	<u>1,134,839</u>
CASH - June 30, 2016	<u><u>\$ 723,296</u></u>

SUPPLEMENTAL DISCLOSURE:

The Organization made cash payments of \$44,106 for interest.

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, 2016

	Program Services			Total Program Services
	Child Protection Team	Family Alliance	Prevention	
Salaries	\$ 1,000,277	\$ 478,030	\$ 403,264	\$ 1,881,571
Employee benefits	191,683	99,947	84,672	376,302
Payroll taxes	77,858	37,398	32,688	147,944
Advertising	1,352	764	96	2,212
Attorney	10,800	-	-	10,800
Audit	7,425	4,125	2,200	13,750
Bad debt	-	4,671	-	4,671
Bank charges	-	-	-	-
Computer	26,004	13,898	8,270	48,172
Dues and subscriptions	4,378	1,550	826	6,754
Fund raising	-	-	-	-
Furniture and equipment	4,194	1,299	1,356	6,849
Insurance	23,842	13,246	9,421	46,509
Interest	11,789	6,550	3,493	21,832
Janitorial	12,247	6,804	3,629	22,680
Leased equipment	12,938	4,419	2,357	19,714
Licenses and taxes	720	850	80	1,650
Maintenance	9,968	3,254	2,772	15,994
Medical supplies	25,797	-	-	25,797
Office	1,555	1,621	14,964	18,140
Other professional fees	1,183	455	1,625	3,263
Postage and shipping	1,541	803	402	2,746
Printing	1,565	769	410	2,744
Psychological services	5,800	-	-	5,800
Security	648	360	192	1,200
Supplies	15,148	7,681	20,001	42,830
Telephone	25,619	3,012	7,344	35,975
Training and education	657	311	3,801	4,769
Transcription	13,468	-	-	13,468
Travel and conference	22,455	13,284	14,093	49,832
Utilities	16,351	9,085	8,806	34,242
X-ray and lab	2,048	-	-	2,048
Total expenses before depreciation	<u>1,529,310</u>	<u>714,186</u>	<u>626,762</u>	<u>2,870,258</u>
Depreciation	<u>56,670</u>	<u>31,483</u>	<u>16,791</u>	<u>104,944</u>
Total expenses	<u><u>\$ 1,585,980</u></u>	<u><u>\$ 745,669</u></u>	<u><u>\$ 643,553</u></u>	<u><u>\$ 2,975,202</u></u>



	Supporting Services		Total Supporting Services	Total
	General and Administrative	Fund raising		
Salaries	\$ 269,216	\$ 64,781	\$ 333,997	\$ 2,215,568
Employee benefits	53,841	15,667	69,508	445,810
Payroll taxes	21,168	4,461	25,629	173,573
Advertising	116	-	116	2,328
Attorney	-	-	-	10,800
Audit	-	-	-	13,750
Bad debt	-	-	-	4,671
Bank charges	431	-	431	431
Computer	2,535	-	2,535	50,707
Dues and subscriptions	-	-	-	6,754
Fund raising	-	15	15	15
Furniture and equipment	-	-	-	6,849
Insurance	2,461	246	2,707	49,216
Interest	22,053	221	22,274	44,106
Janitorial	1,200	120	1,320	24,000
Leased equipment	1,043	104	1,147	20,861
Licenses and taxes	133	-	133	1,783
Maintenance	846	85	931	16,925
Medical supplies	-	-	-	25,797
Office	3,268	192	3,460	21,600
Other professional fees	-	-	-	3,263
Postage and shipping	145	15	160	2,906
Printing	145	15	160	2,904
Psychological services	-	-	-	5,800
Security	64	6	70	1,270
Supplies	2,266	226	2,492	45,322
Telephone	1,903	190	2,093	38,068
Training and education	-	-	-	4,769
Transcription	-	-	-	13,468
Travel and conference	-	796	796	50,628
Utilities	1,812	181	1,993	36,235
X-ray and lab	-	-	-	2,048
Total expenses before depreciation	384,646	87,321	471,967	3,342,225
Depreciation	5,553	555	6,108	111,052
Total expenses	\$ 390,199	\$ 87,876	\$ 478,075	\$ 3,453,277

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, 2016

**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 21, 2016, the date that the financial statements were available to be issued.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The 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.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities.

The fair value of pooled funds with significant unobservable inputs is determined by a community foundation and is based on the allocation of the Center's investment in their general endowment fund. Gains or losses on equity securities sold are based on the specific identification method.

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, 2016 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. Bad debt expense was \$4,671 for the year ended June 30, 2016.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 8 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 as of year-end.

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.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenues and Support (Continued)

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.

Cash Flows

The Organization made no cash payments for income tax and cash payments of \$44,106 for interest during the year ended June 30, 2016.

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 various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. The uninsured cash balance as of June 30, 2016 was \$340,960, based on the bank statement balances, less the FDIC insurance.

**NOTE 5 - INVESTMENTS**

Investments consisted of mutual funds and were valued at \$9,982 as of June 30, 2016.

The cost basis of Level 3 investments as of June 30, 2016, or agency funds maintained by the Southwest Florida Community Foundation ("SWFLCF") as further described in Note 14, cannot be determined. The unrealized gains or losses are netted against realized gains or losses and are included in net loss on investments in the statement of activities.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016

**NOTE 5 - INVESTMENTS (Continued)**

The following are the major categories of assets measured at fair value on a recurring basis during the year ended June 30, 2016, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total as of June 30, 2016
Mutual funds	\$ -	\$ -	\$ 9,982	\$ 9,982

Fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2016:

Beginning balance ( <i>restated</i> )	\$ 10,439
Realized gain	107
Unrealized loss	(404)
Interest	126
Fees	(286)
Ending balance	<u>\$ 9,982</u>

**NOTE 6 - GRANTS RECEIVABLE**

Grants receivable consisted of the following as of June 30, 2016:

National Children's Alliance	\$ 6,219
Parent Education Program	6,125
State of Florida - VOCA	60,207
State of Florida - CPT	200,069
State of Florida - SATP	5,840
	<u>\$ 278,460</u>

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 7 - OTHER RECEIVABLES**

Other receivables consisted of the following as of June 30, 2016:

Crimes compensation	\$ 12,500
Lee County medical exams	13,500
Family First	6,349
Lee County - PFR	19,795
Children's Hospital of SWF	4,675
Charlotte County medical exams	1,800
Hendry County medical exams	750
Other	5,339
	<u>\$ 64,708</u>

**NOTE 8 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2016:

	Estimated Useful Lives	Amount
Land	N/A	\$ 300,000
Building	5-40 years	1,718,291
Building improvements	10-40 years	1,233,460
Furniture and equipment	3-40 years	<u>243,105</u>
		3,494,856
Less: accumulated depreciation		<u>(722,020)</u>
		<u>\$ 2,772,836</u>

Depreciation expense for the year ended June 30, 2016, was \$111,052 and is allocated between program and supporting services.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016

**NOTE 9 - 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, 2016:

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	\$ 980,457
Less: current maturities	(105,865)
Long-term debt, net of current portion	<u><u>\$ 874,592</u></u>

Future maturities of long-term debt are as follows:

<u>Years ending June 30,</u>	
2017	\$ 105,865
2018	110,013
2019	114,324
2020	118,804
2021	123,460
Thereafter	407,991
	<u><u>\$ 980,457</u></u>

Interest expense for the year ended June 30, 2016 was \$44,106 and is allocated between program and supporting services.

**NOTE 10 - LINE OF CREDIT**

The Organization has a revolving line of credit with a financial institution expiring on March 18, 2017. The Organization may draw on the line of credit for a maximum of \$250,000. The interest rate on the line of credit is 1% plus the Wall Street Journal prime rate. As of June 30, 2016, 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, 2016.

**NOTE 11 - LEE COUNTY GRANTS AND CONTRACTS**

The Organization received \$157,259 of financial support from Lee County for Family Alliance and Pine Manor After School Program. The Organization also received \$195,500 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.

CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 12 - 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, 2016, the balance was \$11,115.

**NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of third party billings - CPT of \$133,244 as of June 30, 2016.

**NOTE 14 - AGENCY FUND**

The Organization is the beneficiary of an account from individual donations and an agency fund established by the Organization, used for the support of the charitable or educational purposes of the Organization, that are maintained by SWFLCF. During the year ended June 30, 2016, SWFLCF notified the Organization that the agency funds originally established by the Organization are to be recorded as assets of the Organization resulting in a prior year restatement as further described in Note 20. The balance held by SWFLCF from individual donations for the year ended June 30, 2016 was \$2,551 and are not considered assets of the Organization.

**NOTE 15 - OPERATING LEASES**

The Organization has several office equipment leases expiring between December 2017 and December 2018. Lease expense for the year ended June 30, 2016 was \$20,861 and is allocated between program and supporting services.

Future minimum payments required under the leases are as follows:

<u>Years ending June 30,</u>	
2017	\$ 31,011
2018	23,827
2019	8,273
	<u>\$ 63,111</u>

**NOTE 16 - 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, 2016, the Organization's contribution was 6% of eligible compensation to the plan.



CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 16 - PENSION PLAN (Continued)**

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, 2016 was \$135,962.

**NOTE 17 - 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, 2016.

**NOTE 18 - ECONOMIC DEPENDENCY**

During the year ended June 30, 2016, the Organization received approximately 36% of its revenue from a grant from the State of Florida Department of Health.

**NOTE 19 - CONTINGENCY**

The Organization was named in a civil lawsuit pursuant to the Freedom of Information Act. In this lawsuit, the plaintiff is seeking record and attorney fees but the Organization's attorney and Organization do not believe the claim is merited, therefore do not believe there will be any material exposure to the Organization.

**NOTE 20 - RESTATEMENT**

Unrestricted net assets as of July 1, 2015 has been restated by \$10,439 to reflect the agency fund maintained by SWFLCF. There is no tax effect related to the restatement.

**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, 2016

Federal Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
<b>U.S. Department of Health and Human Services:</b>			
Passed through the State of Florida			
Department of Health			
Social Services Block Grant (1)	93.667	CPX8B	\$ 543,291
Passed through Children's Network of Southwest Florida, LLC			
Promoting Safe and Stable Families	93.556	BBL02	62,028
Foster Care - Title IV - E	93.658	BBL02	21,297
Total U.S. Department of Health and Human Services			<u>626,616</u>
<b>U.S. Department of Justice:</b>			
Passed through the State of Florida			
Office of the Attorney General			
Crime Victim Assistance	16.575	V137-14210	85,873
Crime Victim Assistance	16.575	V137-14210	206,616
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	4,920
Total U.S. Department of Justice			<u>297,409</u>
Total expenditures of federal awards			<u>\$ 924,025</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, 2016

State Department/ Project Title	CSFA Number	Grant Number	State Expenditures
<b>Florida Department of Health:</b>			
Medical Services for Abused and Neglected Children (1)	64.006	CPX8B	\$ 661,536
Medical Services for Abused and Neglected Children (1)	64.006	CSAFM	<u>35,000</u>
Total Florida Department of Health			<u>696,536</u>
<b>State Courts System:</b>			
Passed through Florida Network of Children's Advocacy Centers, Inc. FL Network of Children Advocacy Centers	22.016	N/A	<u>311,366</u>
<b>Department of Children and Families:</b>			
Passed through Florida Network of Children's Advocacy Centers, Inc. Florida Network Childrens Advocacy Center	60.124	N/A	<u>7,899</u>
<b>Department of Highway Safety and Motor Vehicles:</b>			
Passed through Florida Network of Children's Advocacy Centers, Inc. Child Abuse Prevention and Intervention License Plate Project	76.067	N/A	1,100
Florida Network of Children's Advocacy Center Voluntary Contribution	76.123	N/A	<u>3,500</u>
Total Department of Highway Safety and Motor Vehicles			<u>4,600</u>
Total expenditures of state financial assistance			<u>\$ 1,020,401</u>
Total expenditures of federal awards and state financial assistance			<u>\$ 1,944,426</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 in accordance with accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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.

Read Independent Auditor's Report.

**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, 2016, 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 21, 2016.

**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 21, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE 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 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, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General. Those standards and the Uniform Guidance 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, 2016.

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 the Uniform Guidance 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 the Uniform Guidance 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 21, 2016



CHILDREN'S ADVOCACY CENTER OF SW FLORIDA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

**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 2 CFR Section 200.516(a)?  yes  no

Major program:

CFDA Number 93.667      Social Services Block Grant

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

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: \$300,000

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, 2016

**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 the Uniform Guidance 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, 2016

There were no findings in the prior year.