

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

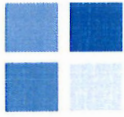
GULF COAST CHILDREN’S ADVOCACY CENTER, INC.
PANAMA CITY, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gulf Coast Children's Advocacy Center, Inc.
Panama City, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Gulf Coast Children's Advocacy Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows 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. 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 Gulf Coast Children's Advocacy Center, Inc. as of December 31, 2020, 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.

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* 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 of the Rules of the Auditor General of the State of Florida, 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 date September 8, 2021, on our consideration of Gulf Coast Children's Advocacy Center, 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 the effectiveness of Gulf Coast Children's Advocacy Center, 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 Gulf Coast Children's Advocacy Center, Inc.'s internal control over financial reporting and compliance.

Tipton, Morley, Garner & Chastain

Panama City, Florida
September 8, 2021

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Current Assets:

Cash and cash equivalents	\$ 404,707
Contracts and grants receivable	1,219,143
Prepaid expenses	11,701
Unconditional promises to give	2,482
Total current assets	<u>1,638,033</u>

Property and Equipment:

Land	830,926
Construction in progress - Marianna	94,686
Construction in progress - Magnolia	625,270
Buildings	2,753,284
Building improvements	73,201
Furniture and equipment	539,805
Automobiles	43,506
	<u>4,960,678</u>
Less accumulated depreciation	<u>(1,110,834)</u>
Net property and equipment	<u>3,849,844</u>

Other Assets:

Loan fees, net of amortization	18,026
Deposits	8,169
Total other assets	<u>26,195</u>

Total Assets

\$ 5,514,072

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 180,257
Bay County Commissioners advance	640,046
Refundable advances - grants	432,964
Deferred revenue - fundraisers	150
Line of credit	200,000
Promissory note	69,000
Paycheck Protection Program promissory note	809,700
Current maturities of notes payable	59,139
Total current liabilities	<u>2,391,256</u>

Other Liabilities:

Notes payable, less current maturities	<u>1,175,437</u>
Total liabilities	<u>3,566,693</u>

Net Assets:

With donor restrictions	55,427
Without donor restrictions	1,891,952
Total net assets	<u>1,947,379</u>

Total Liabilities and Net Assets

\$ 5,514,072

See independent auditor's report and the accompanying notes.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions	\$ 747,791	\$ 84,387	\$ 832,178
In-kind contributions	106,810		106,810
Contracts and grants	6,267,175		6,267,175
Administration fees	127,435		127,435
United Way allocations	14,359		14,359
Interest income	694		694
Reimbursements	208,935		208,935
Building rent	65,534		65,534
Special events	137,166		137,166
Miscellaneous	37,828		37,828
Net assets released from restrictions	76,494	(76,494)	0
Total revenues and other support	<u>7,790,221</u>	<u>7,893</u>	<u>7,798,114</u>
Expenses:			
Program services -			
Community Outreach Program	382,458		382,458
Child Protection Team	1,046,109		1,046,109
Healthy Start	339,351		339,351
Parents as Teachers	235,230		235,230
Sexual Assault Program	711,407		711,407
Therapy Program	927,367		927,367
Victim Advocacy	952,393		952,393
Victim Services	802,853		802,853
CARES Act Assistance	797,564		797,564
Supporting services -			
General and administrative	1,609,514		1,609,514
Fundraising	96,510		96,510
Total expenses	<u>7,900,756</u>	<u>0</u>	<u>7,900,756</u>
Increase (Decrease) in Net Assets	(110,535)	7,893	(102,642)
Net Assets:			
Net assets, beginning of year	<u>2,002,487</u>	<u>47,534</u>	<u>2,050,021</u>
Net assets, end of year	<u>\$ 1,891,952</u>	<u>\$ 55,427</u>	<u>\$ 1,947,379</u>

See independent auditor's report and the accompanying notes.

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GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services					
	Community Outreach Program	Child Protection Team	Healthy Start	Parents as Teachers	Sexual Assault Program	Therapy Program
Accounting, auditing, and professional fees	\$ 724	\$ 4,370	\$ 1,599	\$ 1,183	\$ 1,914	\$ 7,016
Administration fees	1,723	3,550	37,078	18,229	24,961	2,123
Advertising			80		525	
Advocacy/Awareness expense			29,114	7,374	19,407	14
Amortization expense						
Bad debt expense		4,000				18,118
CARES Act assistance						
Depreciation						
Direct client care			360	681	7,785	12,636
Dues and subscriptions	313	440	420	4,972	329	3,475
Employee benefits	47,018	53,261	20,812	17,115	60,106	52,088
Employee/Board related expenses	284	1,186	1,113	143	1,785	3,471
Hurricane expenses						
Insurance	2,424	10,666	1,772	1,480	4,615	9,975
Interest						16,877
Janitorial	2,484	16,245	919	333	8,659	7,564
Landscape supplies		5,382			23	11
Medical services and supplies		56,073	3,289	5,801	1,862	11,186
Miscellaneous	15	1,069	110	110	440	
Office expense	2,115	34,784	6,410	2,880	10,553	8,077
Rent	13,125	66,652	15,956	6,624	56,994	54,894
Repairs and maintenance	168	1,626	5		672	442
Retirement	4,484	16,185	3,697	3,808	6,487	10,306
Salaries and related expenses	295,198	742,204	203,433	156,345	469,103	670,205
Special events						
Taxes and licenses		490				211
Telephone	3,790	6,001	5,372	2,194	12,856	15,490
Training	615	4,925	2,924	3,630	7,781	6,354
Travel	6,479	6,287	2,583	1,535	7,257	9,664
Utilities	1,499	10,713	2,305	793	7,293	7,170
Total expenses	\$ 382,458	\$ 1,046,109	\$ 339,351	\$ 235,230	\$ 711,407	\$ 927,367

Program Services			Supporting Services			
Victim Advocacy	Victim Services	CARES Act Assistance	Total Program Services	General and Administrative	Fundraising	Total
\$ 1,469	\$ 4,476		\$ 22,751	\$ 58,106		\$ 80,857
			87,664			87,664
			605	685		1,290
154,000	41		209,950	10,485		220,435
			-	1,925		1,925
116	(116)		22,118			22,118
		\$ 797,564	797,564			797,564
3,167			3,167	111,336		114,503
18,929	8,183		48,574	72,312		120,886
200	1,505		11,654	5,064		16,718
73,618	74,536		398,554	51,943		450,497
1,719	1,083		10,784	25,460		36,244
			-	64,681		64,681
5,846	4,962		41,740	34,089		75,829
			16,877	55,230		72,107
11,076	920		48,200	10,743		58,943
4,552	2,935		12,903	8,736		21,639
530			78,741			78,741
110			1,854	14,438		16,292
16,283	5,173		86,275	30,614		116,889
31,989	26,288		272,522	2,400		274,922
855	677		4,445	25,624		30,069
6,420	13,577		64,964	15,127		80,091
589,495	639,140		3,765,123	966,718	\$ 43,223	4,775,064
			-		53,287	53,287
			701	990		1,691
11,989	9,328		67,020	7,502		74,522
4,434	4,250		34,913	9,788		44,701
8,125	3,348		45,278	15,660		60,938
7,471	2,547		39,791	9,858		49,649
<u>\$ 952,393</u>	<u>\$ 802,853</u>	<u>\$ 797,564</u>	<u>\$ 6,194,732</u>	<u>\$ 1,609,514</u>	<u>\$ 96,510</u>	<u>\$ 7,900,756</u>

See independent auditor's report and the accompanying notes.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

Cash Flows From Operating Activities:	
Cash received from contracts and grants	\$ 6,210,200
Cash received from contributions	832,178
Cash received from United Way	14,359
Cash received from other operating receipts	569,210
Interest received	694
Interest paid	(72,107)
Cash paid to suppliers and employees	(7,470,514)
Net cash provided by operating activities	<u>84,020</u>
Cash Flows From Investing Activities:	
Purchases of capital assets	(646,732)
Net cash used in investing activities	<u>(646,732)</u>
Cash Flows From Financing Activities:	
Advances from Bay County	2,346,835
Proceeds from Paycheck Protection Program promissory note	809,700
Repayments on Bay County Advance	(2,346,835)
Repayments on Line of Credit	(50,000)
Payments on note payable	(54,175)
Net cash provided by financing activities	<u>705,525</u>
Net Increase in Cash and Cash Equivalents	142,813
Cash and cash equivalents, beginning of year	<u>261,894</u>
Cash and cash equivalents, end of year	<u>\$ 404,707</u>
Reconciliation of change in net assets to net cash provided by operating activities -	
Change in net assets	\$ (102,642)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	114,503
Amortization	1,925
(Increase) decrease in assets -	
Contracts and grants receivable	(227,293)
Prepaid expenses	9,971
Other receivables	231
Unconditional promises to give	(502)
Deposits	6,377
Increase (decrease) in liabilities -	
Accounts payable and accrued expenses	96,200
Refundable advances - grants	188,600
Deferred revenue - fundraisers	(3,350)
Total adjustments	<u>186,662</u>
Net cash provided by operating activities	<u>\$ 84,020</u>

See independent auditor's report and the accompanying notes.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – NATURE OF ORGANIZATION

Gulf Coast Children's Advocacy Center, Inc. (the Organization) was established on September 9, 1999. The Organization serves to protect and enhance the quality of life for victims of sexual violence and child abuse in our community by providing a trauma sensitive, specialized approach to assess, identify, treat and prevent sexual assault and child abuse through the coordination of community resources. The Organization coordinates and facilitates treatment for child victims and their families. A substantial portion of funding for programs is provided by the State of Florida Department of Health, the U.S. Department of Health and Human Services, and the U.S. Department of Justice.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Under FASB ASU No. 2016-14, the Organization is required 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 restriction.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid investments with original maturities of less than three months to be cash equivalents.

Contracts and Grants Receivable

The Organization reports contracts and grants receivable at net realizable value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. Management believes all receivables are collectible, therefore, no allowance for doubtful accounts is provided in these financial statements.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give

Unconditional promises to give are recognized as revenue and assets in the period in which the related promise is made. Unconditional promises to give are stated, net of an allowance for doubtful accounts and net of present value discounts. Management believes all promises to give are collectible, therefore, no allowance for doubtful accounts is provided in these financial statements.

Property and Equipment

Property and equipment are stated at cost for assets purchased and at fair value for assets donated. Depreciation of equipment is provided over the estimated useful lives, generally five to seven years, of the respective assets on a straight-line basis. The Organization capitalizes all property and equipment purchases over \$1,000 or property and equipment less than \$1,000 that is required to be tracked by the granting agency. Depreciation expense for the year ended December 31, 2020 was \$114,503.

Refundable Advances and Deferred Revenue

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

Revenues received in advance (fundraising) is recorded as deferred revenue until the event takes place. The exchange revenue is not considered earned until the event takes place, and the contribution revenue is deemed to be conditional on the event taking place. When the event takes place, the funds are recorded as special events revenue. If an event is cancelled, the money collected is either paid back to the donor and the liability is reduced, or the funds are considered an unconditional contribution as soon as the donor agrees to forfeit the funds to the organization, making it contribution revenue on that date, including the foregone exchange revenues.

Revenue Recognition - Contributions

Grants. Grants represent revenues from federal, state, and local governments and organizations. Grant revenues are recognized as allowable costs are incurred. The Organization reports unearned grant revenues to the extent that funding is received before allowable costs are incurred. When costs are incurred before reimbursement is made, the Organization records grants receivable.

Contributions – General. Contributions are recognized as revenue when they are received or unconditionally pledged and are recorded at their estimated fair values.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition – Contributions (Continued)

Contributions – Restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Those restricted gifts that are received and whose restriction is accomplished in the same year are reported as support without donor restrictions.

Contributions – Tangible. The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long lived assets are placed in service.

Contributions – Services. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. In addition to amounts recorded, the Organization receives donated services which are not recorded because the above requirements have not been met. Those contributed services include Board governance and volunteer hours.

Advertising

Advertising costs are expensed as incurred. Advertising costs incurred during the year ended December 31, 2020 were \$1,290.

Contributed Services

Contributed goods and services are recorded as support and expense in the accompanying financial statements at their fair value in the period of receipt. Services provided by the Board of Directors are considered a philanthropic activity and are generally not recorded; therefore, the value of contributed time is not reflected in these financial statements.

Income Taxes

Gulf Coast Children's Advocacy Center, Inc. has qualified as an exempt organization for federal income tax purposes under Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. However, the Organization may be subject to income taxes on unrelated business income. The Organization had no unrelated business income during the year ended December 31, 2020. Consequently, no provision for income taxes has been made in these financial statements.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 3 – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal including cash and cash equivalents and receivables.

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities.

As of December 31, 2020, the following tables show the total financial assets held by the Organization and the amounts of those financial assets available within one year of the balance sheet date to meet general expenditures.

Financial assets at year-end:

	2020
Cash and cash equivalents	\$ 404,707
Contracts and grants receivable	1,219,143
Unconditional promises to give	2,482
Total financial assets at year-end	\$ 1,626,332

Financial assets available to meet general expenditures within one year:

	2020
Financial assets at year-end	\$ 1,626,332
Donor-imposed contributions	
Restricted by donor with purpose restrictions	
Art supplies for art therapy	(1,000)
Holiday Hopes – Christmas gifts for victims	(12,394)
Hurricane Relief	(30,985)
Missing Place Event	(1,305)
Other	(2,748)
St. Joe Foundation – First Responder Therapy Services	(5,188)
United Way Calhoun County – Hurricane Michael repairs	(773)
United Way Jackson County – Hurricane Michael repairs	(1,034)

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 – LIQUIDITY AND AVAILABILITY (Continued)

Board designations	
Hurricane Michael repairs	(38,803)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 1,532,102

The Organization is substantially supported by contributions and grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. Contributions for Missing Place are restricted for victim table placements to be used for the Missing Place event expenses. On October 10, 2018, the Organization was substantially impacted by Hurricane Michael and the Organization has since received various contributions for related repairs. The St. Joe Foundation contributions are designated for therapy. The Organization was also awarded funding from United Way for Calhoun and Jackson County restricted for Hurricane Michael repairs. Other restricted contributions received were for Christmas gifts to victims, art supplies, and other small various items. During 2018, 2019, and 2020, the Organization received \$308,792, \$525,504, and \$0 of insurance proceeds, respectively, for damages caused by Hurricane Michael and recognized \$15,128, \$780,365, and \$0 of related expenses, respectively. The remaining unspent insurance proceeds of \$38,803 at December 31, 2020 were designated by the board to cover the remaining repairs. In the event of an unanticipated liquidity need, the Organization also could draw upon any available funds from its \$250,000 line of credit (as further discussed in Note 8).

NOTE 4 – CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable at December 31, 2020 consist of the following:

Bay District Schools (COP)	\$ 17,228
Bay, Franklin, Gulf Healthy Start Coalition, Inc.	140,926
CARES Act	39,771
Child Protection Teams	146,004
Department of Corrections	3,956
Families First Coronavirus Response Act	16,041
Florida Council Against Sexual Violence	44,864
Florida Network for Children's Advocacy Centers	51,031
Medical Exams	21,520
Sexual Abuse Treatment Program (SATP)/Therapy	6,832
State of Florida – Victims Compensation	9,195
Victims of Crime Act (VOCA) Grant	721,775
Total contracts and grants receivable	\$ 1,219,143

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to Give consist of the following:

	<u>2020</u>
United Way	\$ 2,482

NOTE 6 – GRANT FUNDING AGREEMENT

On December 4, 2018, the Organization entered into a grant funding agreement with Bay County, Florida (the County) where the County will fund grant expenses prior to reimbursement regarding the 2018 and 2019 VOCA grant awarded to the Organization not to exceed \$2,560,184. The County funded \$426,697 in October and November of 2018 and \$213,349 each month thereafter until the funding was paid out by the County.

On January 7, 2020, the Organization entered into a grant funding agreement with Bay County, Florida (the County) where the County will fund grant expenses prior to reimbursement regarding the VOCA grant awards to the Organization, subject to a cap of \$2,560,184 on outstanding funds at any given time.

For the year ended December 31, 2020, the Organization received funding of \$2,560,184 and made payments of \$1,920,138 and the balance at year end was \$640,046.

NOTE 7 – ACCRUED COMPENSATED ABSENCES

The Organization has not accrued for compensated absences because the amount cannot be reasonably estimated. Accrued vacation days of up to ten (10) are paid at termination, only when appropriate notice is given, and funding is available. All accrued vacation days are forfeited when an employee quits without proper notice or is immediately terminated for a policy violation or substandard job performance.

NOTE 8 – LINE OF CREDIT

The Organization has a line of credit at a local financial institution for \$250,000. The line of credit has a variable interest rate and matures on January 1, 2021. The Organization made draws of \$0 and payments of \$50,000 during 2020, and the balance at December 31, 2020 was \$200,000.

NOTE 9 – PROMISSORY NOTE

On December 29, 2019, the Organization entered into a promissory note agreement with The Charles Whitehead Foundation for \$69,000, which bears interest at 0% annually. The note is due and payable upon the release of escrow funds held by First Federal bank which occurred in early 2021.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 – PAYCHECK PROTECTION PROGRAM PROMISORY NOTE

On April 14, 2020, the Organization entered into a Paycheck Protection Program Promissory Note (the "PPP Note") for the principal amount of \$809,700 (the "PPP Loan") from First Federal Bank (the "PPP Loan Lender"). The PPP Loan was obtained pursuant to the Paycheck Protection Program (the "PPP") of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") administered by the U.S. Small Business Administration ("SBA"). The PPP Loan was disbursed by the PPP Loan Lender to the Organization on April 17, 2020 (the "Disbursement Date") and will mature two years from the Disbursement Date. The PPP Loan bears an interest at 1.00% per annum. Payments of principal and interest are deferred until ten months after the last day of the covered period. Funds from the PPP Loan may only be used by the Organization for payroll costs, costs for continuing group healthcare benefits, mortgage interest payments, rent, utility and interest on any other debt obligations that were incurred before February 15, 2020. The Organization was granted loan forgiveness for the full amount of the loan on February 22, 2021. The loan balance as of December 31, 2020 was \$809,700 and is reported as a current liability on the Statement of Financial Position.

NOTE 11 – NOTES PAYABLE

Notes payable are summarized as follows:

	As of December 31, 2020	
	Due in One Year	Due After One Year
Note payable, interest at 4.375%, due in variable monthly installments, collateralized by building, matures January 2038.	\$ 38,081	\$ 906,086
Note payable, interest at 5.5% until repricing in Oct 2024, due in variable monthly installments, collateralized by building, matures September 2039.	21,058	269,351
Total	\$ 59,139	\$ 1,175,437

Maturities of notes payable for the next five years are as follows:

2021	\$ 59,139
2022	51,171
2023	50,367
2024	52,111
2025	53,350
Thereafter	968,438
Total	\$ 1,234,576

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 12 – NET ASSETS

Net Assets With Donor Restrictions:

As of December 31, 2020 net assets with donor restrictions of \$55,427, are restricted for the following purposes:

	2020
Art supplies for art therapy	\$ 1,000
Holiday Hopes – Christmas gifts for victims	12,394
Hurricane Relief	30,985
Missing Place Event	1,305
Other	2,748
St. Joe Foundation - First Responder Therapy Services	5,188
United Way Calhoun County –	
Hurricane Relief	773
United Way Jackson County –	
Hurricane Relief	1,034
	\$ 55,427

Board Designated and Net Assets Without Donor Restrictions:

As of December 31, 2020, the Board of Directors designated unspent insurance proceeds of \$38,803 for expenses related to hurricane repairs and all other net assets were considered to be net assets without donor restrictions.

NOTE 13 – CONCENTRATIONS AND CREDIT RISKS

The Organization received 69% of its revenues and other support (excluding insurance proceeds) from contracts and grants from the State of Florida, a federal agency, or pass through entity. If a significant reduction in this level of support were to occur, it would have a material effect on the Organization's activities.

The Organization maintains cash balances at financial institutions located in Bay County, Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020, the Organization had \$31,843 of uninsured cash balances.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 14 – IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions as follows:

	2020
General	
Audit	\$ 8,500
Windows	4,000
Employee Assistance Program Therapy	1,520
Victim Advocacy/SART	
Digital billboard advertising	92,790
	\$ 106,810

NOTE 15 – OPERATING LEASES

Lessee

The Organization entered into an operating lease agreement on June 26, 2012 with Donald and Sharon Harrell for the use of office space located in Chipley, FL. The lease is for a period of 5 years beginning on July 1, 2012 and expiring on June 30, 2017 with an option to renew for an additional ten (10) one-year periods. The terms of the lease include a 3% increase in the monthly rent payment each year. The Organization renewed its lease agreement with Donald and Sharon Harrell for an additional ten (10) one-year periods beginning on July 1, 2017 and expiring on June 30, 2027. For the year ended December 31, 2020, monthly rent payments were \$1,366 for January through June and \$1,406 for July through December.

The Organization entered into an operating lease agreement on March 8, 2016 with Railroad Properties North, LLC for the use of office space located in Chipley, FL. The lease is for a period of two and a half years beginning on March 15, 2016 and expiring on September 30, 2018 with an option to renew for an additional one-year period after each subsequent year. The Organization renewed for an additional year beginning on October 1, 2020 and expiring on September 30, 2021. For the year ended December 31, 2020, monthly rent payments were \$600.

The Organization entered into an operating lease agreement on September 28, 2016 with Panhandle Medical Group, LLC for the use of office space located in Port St. Joe, FL. The lease is for a period of three years beginning on October 1, 2016 and expiring on September 30, 2019. On September 30, 2019, the Organization extended this agreement with Preferred Coastal Properties. The lease is for a period of three additional years beginning on October 1, 2019 and expiring on September 30, 2022. For the year ended December 31, 2020, monthly rent payments were \$1,500.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 15 – OPERATING LEASES (Continued)

The Organization entered into an operating lease agreement on March 1, 2018 with Daniel E. Ryals for the use of office space located in Blountstown, FL. The lease is for a period of one year beginning on March 1, 2018 and expiring on February 28, 2019, in which the agreement will revert to a month to month lease renewing on the first day of each month. For the year ended December 31, 2020, monthly rent payments were \$900.

The Organization entered into an operating lease agreement on April 25, 2019 with Ann R. Kinard for the use of office space (Suite 15) located in Panama City, FL. The lease is for a period of six months beginning on May 1, 2019 and expiring on October 31, 2019 in which the agreement reverted to a month to month lease renewing on the first day of each month. On August 2, 2020, the lease was formally renewed for a period of five months beginning on August 1, 2020 and expiring on December 31, 2020. For the year ended December 31, 2020, monthly rent payments were \$400. The lease was terminated effective February 28, 2021.

The Organization entered into an operating lease agreement on May 15, 2019 with Ann R. Kinard for the use of office space (Suites 8, 9, and 19) located in Panama City, FL. The lease is for a period of six months beginning on July 1, 2019 and expiring on December 31, 2019 in which the agreement reverted to a month to month lease renewing on the first day of each month. On August 2, 2020, the lease was formally renewed for a period of five months beginning on August 1, 2020 and expiring on December 31, 2020. For the year ended December 31, 2020, monthly rent payments were \$1,000. The lease was terminated effective February 28, 2021.

The Organization entered into an operating lease agreement on May 15, 2019 with Ann R. Kinard for the use of office space (Suite 14) located in Panama City, FL. The lease is for a period of six months beginning on June 1, 2019 and expiring on November 30, 2019 in which the agreement reverted to a month to month lease renewing on the first day of each month. On August 2, 2020, the lease was formally renewed for a period of five months beginning on August 1, 2020 and expiring on December 31, 2020. For the year ended December 31, 2020, monthly rent payments were \$400. The lease was terminated effective February 28, 2021.

The Organization entered into an operating lease agreement on August 1, 2020 with Ann R. Kinard for the use of office space (Suite 6) located in Panama City, FL. The lease is for a period of five months beginning on August 1, 2020 and expiring on December 31, 2020. For the year ended December 31, 2020, monthly rent payments were \$400. The lease was terminated effective February 28, 2021.

The Organization entered into an operating lease agreement on September 30, 2019 with Ann R. Kinard for the use of office space (Suite 20) located in Panama City, FL. The lease is for a period of twelve months beginning on October 1, 2019 and expiring on September 30, 2020 in which the agreement reverted to a month to month lease renewing on the first day of each month. On August 2, 2020, the lease was formally renewed for a period of five months beginning on August 1, 2020 and expiring on December 31, 2020. For the year ended December 31, 2020, monthly rent payments were \$425. The lease was terminated effective February 28, 2021.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 15 – OPERATING LEASES (Continued)

The Organization entered into an operating lease agreement on May 1, 2018 with Janice S. Taylor for the use of office space located in Bonifay, FL. The lease is for a period of one year beginning on May 1, 2019 and expiring on April 30, 2020. The lease was renewed for an additional one-year period beginning on May 1, 2020 and expiring on April 30, 2021. For the year ended December 31, 2020, monthly rent payments were \$500.

The Organization entered into an operating lease agreement on October 1, 2018 with G.E. Rich and Associates, LLC for the use of office space located in Bonifay, FL. The lease is for a period of one year beginning on October 1, 2018 and expiring on September 30, 2020. The lease was renewed for a period of two year beginning on October 1, 2020 and expiring on September 30, 2022. For the year ended December 31, 2020, monthly rent payments were \$875.

The Organization entered into an operating lease agreement on December 1, 2018 with Dermatology Specialists Property, LLC for the use of office space located in Marianna, FL. The lease is for a period of five years beginning on December 1, 2018 and expiring on November 30, 2023. For the year ended December 31, 2020, monthly rent payments were \$2,284 for January through November and \$2,335 for December.

The Organization entered into an operating lease agreement on February 25, 2019 with Oakridge Partners, LLP for the use of office space located in Panama City, FL. The lease is for a period of one year beginning on March 1, 2019 and expiring on February 29, 2020. The lease was extended for an additional one-year period beginning on March 1, 2020 and expiring on February 28, 2021. For the year ended December 31, 2020, monthly rent payments were \$750 for January and February, and \$768.75 for March through December.

The Organization entered into an operating lease agreement on July 16, 2019 with Baytown Plaza Rentals for the use of office space located in Panama City, FL, including a dumpster fee. The lease is for a period of three years beginning on July 16, 2019 and expiring on July 16, 2022. For the year ended December 31, 2020, monthly rent payments were \$1,840.

The Organization entered into an operating lease agreement on August 13, 2019 with Town Centre, Inc. for the use of office space located in Panama City, FL. The lease was for a period of three years beginning on September 1, 2019 and expiring on August 31, 2022. On February 28, 2020, the lease was amended to add an additional suite, which terminated the old lease and the new lease period is March 1, 2020 through August 31, 2022. For the year ended December 31, 2020, monthly rent payments were \$1,350 for January and February, \$2,700 for March through August, and \$2,850 for September through December.

The Organization entered into an operating lease agreement on August 25, 2019 with Town Centre, Inc. for the use of office space located in Panama City, FL. The lease is for a period of three years beginning on September 1, 2019 and expiring on August 31, 2022. For the year ended December 31, 2020, monthly rent payments were \$1,250 for January through August, and \$1,325 for September through December. This lease was terminated effective November 1, 2020 due to the premises being uninhabitable.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 15 – OPERATING LEASES (Continued)

Future minimum rental payments according to the lease agreements are as follows:

2021	\$ 109,888
2022	79,083
2023	<u>26,855</u>
Total	<u>\$ 215,826</u>

Operating lease expense for the year ended December 31, 2020 totaled \$223,182.

Lessor

On September 14, 2016, the Organization renewed the non-cancellable sublease agreement with the Department of Children and Families for the use of the Organization's office space in Panama City, FL. The renewed lease is for a period of five years beginning February 1, 2017 and expiring on January 30, 2022. For the year ended December 31, 2020, the monthly rental income was \$1,725 for January and \$1,777 for February through December.

Operating lease income for the year ended December 31, 2020 totaled \$21,270.

Future minimum rental payments to be received are as follows:

2021	\$ 21,905
2022	<u>1,830</u>
Total	<u>\$ 23,735</u>

NOTE 16 – PENSION PLAN

The Organization maintained a 403(b)-pension plan, which covers all eligible employees. The Organization may elect annually to contribute to the plan on behalf of the employees. For the year ended December 31, 2020, employer contributions were \$80,091 .

NOTE 17 – SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

Cash paid during the year for:

Interest	\$ 72,107
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GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 18 – FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program, supporting, or fundraising function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Those expenses are salaries and benefits, occupancy, and audit fees, which are allocated among program, administrative and fundraising services. Salaries and related payroll costs are allocated based on time, effort, and benefit received by each function. Occupancy costs are allocated based on square footage use of each building and/or location. The audit fees are allocated to programs based on a percentage of total expenditures.

NOTE 19 – RELATED PARTY

The Organization contracted with a landscaping company, which is owned by a board member's spouse. Landscaping services for the year ended December 31, 2020 was \$40,257.

NOTE 20 – CONSTRUCTION COMMITMENT

The Organization has outstanding commitments for construction contracts at year end. The commitments represent the difference between the contract prices of the various projects and the amounts paid on each contract. The Organization entered into an agreement with GAC Contractors, Inc. (contractor) on May 27, 2020 for the remodel of 303 Magnolia building. As of December 31, 2020, the adjusted contract price was \$625,270. The renovations to the building began during the year ended December 31, 2020 and was completed in February 2021. As of December 31, 2020, the Organization's outstanding construction commitments were \$92,849, which were paid in January 2021. On February 8, 2021, approved change orders of \$34,037 and \$1,500 increased the contract price and was subsequently paid on March 2, 2021.

NOTE 21 – RISK AND UNCERTAINTIES

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the World Health Organization designated the coronavirus outbreak as a pandemic. Management and the Board of Directors continue to evaluate and monitor the potential adverse effect that this event may have on the Organization's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 22 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for the Organization beginning in 2021. It is to be adopted using a modified retrospective approach. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*, which makes narrow scope improvements to the standard for specific issues. This ASU is effective for the Organization beginning in 2021.

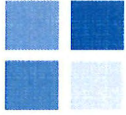
In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842) – Targeted Improvements*, which makes narrow scope improvements to the standard for specific issues. This ASU is effective for the Organization beginning in 2021.

NOTE 23 – SUBSEQUENT EVENTS

On February 1, 2021, the Organization sold the property at 5308 Hwy 98, Parker, Florida which was originally donated to the Organization in 2018. The property was significantly damaged after Hurricane Michael, and the building needed to be demolished. The Organization was unsuccessful at obtaining disaster relief funds to assist with demolition, and due to code enforcement issues, the Organization determined it necessary to sell the property and use the funds to pay off its line of credit. The property sold for \$270,000 and will result in a loss for the Organization.

The Organization entered into an operating lease agreement on May 18, 2021 with Tyndall Federal Credit Union (TFCU) for the use of office space (Suite 130) located in Panama City, FL. The lease is for an initial period of five years beginning on June 1, 2021 and expiring on May 31, 2026. The Organization may elect to renew this lease for a term of five years by providing written notice at least 180 days prior to the expiration of the initial term. The base rent for the first year will be \$146,850, payable in equal monthly installments of \$12,237.50, and will increase 3% on June 1 of each year commencing on June 1, 2022 and continuing through any renewal term. The lease also requires additional rent which is the Organization's pro-rata share (9.8%) of annual operating expenses, real estate taxes, and insurance premiums for insurance maintained by TFCU on the building. The estimate for the Organization's pro-rate share for the 2021 calendar year is \$43,125, payable in equal monthly installments of \$3,593.75 commencing on June 1, 2021. TFCU will also provide janitorial services and the Organization's estimated cost for those services for the 2021 calendar year is \$8,040, payable in equal monthly installments of \$670 commencing on June 1, 2021.

The Organization has evaluated subsequent events requiring disclosure or recording in these financial statements through September 8, 2021, which is the date these financial statements were available to be issued.



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

Board of Directors
Gulf Coast Children's Advocacy Center, Inc.
Panama City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Gulf Coast Children's Advocacy Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 September 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gulf Coast Children's Advocacy Center, 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 Gulf Coast Children's Advocacy Center's Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Gulf Coast Children's Advocacy Center, Inc.'s internal control.

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

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

Compliance and Other Matters

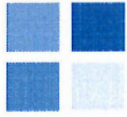
As part of obtaining reasonable assurance about whether Gulf Coast Children's Advocacy Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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*.

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.

Tipton, Mauler, Barne & Chostain

Panama City, Florida
September 8, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, THE FLORIDA SINGLE AUDIT ACT (FLORIDA STATUTE 215.97) AND CHAPTER 10.650 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors
Gulf Coast Children's Advocacy Center, Inc.
Panama City, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Gulf Coast Children's Advocacy Center, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Gulf Coast Children's Advocacy Center, Inc.'s major federal programs and state projects for the year ended December 31, 2020. The Organization'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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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; 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); the Florida Single Audit Act (Florida Statute 215.97) and Chapter 10.650 of the Rules of

the Auditor General of the State of Florida. Those standards, the Uniform Guidance, the Florida Single Audit Act, and Chapter 10.650 of the Rules of the Auditor General of the State of Florida 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 or state project occurred. An audit includes examining, on a test basis, evidence about the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program and State Project

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 federal programs and state projects for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Gulf Coast Children's Advocacy Center, 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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and 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, The Florida Single Audit Act (Florida Statute 215.97), and Chapter 10.650 of the Rules of the Auditor General of the State of Florida 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 the Organization'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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, The Florida Single Audit Act (Florida Statute 215.97), and Chapter 10.650 of the Rules of the Auditor General of the State of Florida. Accordingly, this report is not suitable for any other purpose.

Tipton, Marler, Lane & Chastain

Panama City, Florida
September 8, 2021

**GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2020**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the Gulf Coast Children's Advocacy Center, Inc. basic financial statements.
2. No significant deficiencies in internal control were disclosed during the audit of the financial statements in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Gulf Coast Children's Advocacy Center, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal programs or state projects were reported in the Independent Auditor's Report on Compliance for Each Major Program and Project and on Internal Control Over Compliance Required by the Uniform Guidance, The Florida Single Audit Act (Florida Statute 215.97) And Chapter 10.650 of the Rules of the Auditor General of the State of Florida.
5. The auditor's report on compliance with requirements that could have a direct and material effect on each major program or project for the Gulf Coast Children's Advocacy Center, Inc. expresses an unqualified opinion.
6. Our audit disclosed no findings required to be reported in accordance with 2 CFR Section 200.516(a) or Rules of Auditor General 10.654(1)(g).
7. The programs and projects tested as major programs and projects consisted of the following:

Federal Major Programs:

CFDA #16.575 – Victims of Crime Act

Dollar threshold for distinguishing between Type A and Type B programs was \$750,000 for major federal programs.

The auditee qualifies as a low-risk auditee.

State Major Projects:

CSFA #64.006 – Medical Services for Abused and Neglected Children

Dollar threshold for distinguishing between Type A and Type B projects was \$300,000 for major state projects.

**GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2020**

B. FINANCIAL STATEMENT FINDINGS

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

C. FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no audit findings related to federal awards required to be reported by 2 CFR Section 200.516(a).

There were no audit findings related to state financial assistance required to be reported by Rules of the Auditor General 10.654(1)(g).

D. STATUS OF FEDERAL AWARDS AND/OR STATE FINANCIAL ASSISTANCE PRIOR YEAR FINDINGS

There were no findings related to prior year federal awards and/or state financial assistance.

E. OTHER MATTERS

1. No management letter is required because there were not findings required to be reported in the management letter.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs and/or state financial assistance.
3. No Corrective Action Plan is required because there were no findings required to be reported by 2 CFR Section 200.516(a) or Rules of the Auditor General 10.654(1)(g).

GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	2020 Expenditures	Total Expenditures
Federal				
U.S. Department of Justice				
Passed through Florida Office of Attorney General				
Victims of Crime Act	16.575 *	VOCA 2019-00371	\$ 2,653,353	\$ 2,653,353
Victims of Crime Act	16.575 *	VOCA 2020-00734	721,775	721,775
Total U.S. Department of Justice			<u>3,375,128</u>	<u>3,375,128</u>
U.S. Department of Health and Human Service				
Passed through Florida Department of Health				
Social Services Block Grant - Child Protection Team	93.667	CPX2A	155,371	155,371
Social Services Block Grant - Child Protection Team	93.667	CP12A	179,608	179,608
Passed through Bay, Franklin, Gulf Healthy Start Coalition, Inc.				
Health Resources and Services Adm.	93.994	CACHS 18-19	126,147	126,147
Medicaid Assistance Payments	93.778	CACHS 18-19	216,748	216,748
Maternal, Infant and Early Childhood Home Visiting				
Affordable Care Act (ACA)/Maternal, Infant and Early Childhood Home				
Visiting Grant Program	93.870	X10MC32184	191,600	191,600
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	X10MC33573	42,157	42,157
Total U.S. Department of Health and Human Service			<u>911,631</u>	<u>911,631</u>
U.S. Department of Homeland Security				
Passed through Federal Emergency Management Agency				
Public Assistance Program	97.036	Z1001	73,994	73,994
Total U.S. Department of Homeland Security			<u>73,994</u>	<u>73,994</u>
Total Expenditures of Federal Awards			<u>\$ 4,360,753</u>	<u>\$ 4,360,753</u>
State of Florida				
Florida Department of Health				
Medical Services for Abused and Neglected Children (CPT)	64.006 *	CPX2A	\$ 300,904	\$ 300,904
Medical Services for Abused and Neglected Children (CPT)	64.006 *	CP12A	119,739	119,739
Medical Services for Abused and Neglected Children (CPT)	65.006 *	SAK69	81,500	81,500
Medical Services for Abused and Neglected Children (SATP)	64.006 *	CSBPC	23,321	23,321
Medical Services for Abused and Neglected Children (SATP)	64.006 *	CP1PC	18,441	18,441
Total Florida Department of Health			<u>543,905</u>	<u>543,905</u>
Florida Council Against Sexual Violence				
Rape Crisis Centers (GR)	64.069	16TFGR25	141,738	141,738
Rape Crisis Program Trust Fund (TF)	64.061	16TFGR25	87,396	87,396
Total Florida Council Against Sexual Violence			<u>229,134</u>	<u>229,134</u>
Office of the Attorney General				
Passed through Florida Council Against Sexual Violence				
Rape Crisis Centers	41.010	19OAG25	11,074	11,074
Rape Crisis Centers	41.010	20OAG25	17,042	17,042
Passed through Florida Network for Children's Advocacy Centers, Inc.				
FL Network of Children Advocacy Centers	41.031	19/20 GR-CAC04	92,384	5,461
FL Network of Children Advocacy Centers	41.031	19/20 GR-CAC04 (CPT)	5,461	92,384
FL Network of Children Advocacy Centers	41.031	19/20 GR-CAC04	77,059	77,059
FL Network of Children Advocacy Centers	41.031	19/20 GR-CAC04 (CPT)	5,732	5,732
Total Office of the Attorney General			<u>208,752</u>	<u>208,752</u>
Florida Department of Children and Families				
Passed through Florida Network for Children's Advocacy Centers, Inc.				
DCF Trust Fund	60.124	19-20-DCF-CAC-04	3,830	3,830
DCF Trust Fund	60.124	20-21-DCF-CAC-04	2,362	2,362
Total Florida Department of Children and Families			<u>6,192</u>	<u>6,192</u>
Total Expenditures of State Financial Assistance			<u>\$ 987,983</u>	<u>\$ 987,983</u>

*denotes major program/project

See accompanying notes to schedule of expenditures of federal awards and state financial assistance

See independent auditor's report.

**GULF COAST CHILDREN'S ADVOCACY CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal award and state financial assistance activity of Gulf Coast Children's Advocacy Center, Inc. under programs of the federal government and projects under the State of Florida for the year ended December 31, 2020. 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 of the Rules of the Auditor General of the State of Florida. Because the Schedule presents only a selected portion of the operations of Gulf Coast Children's Advocacy Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Gulf Coast Children's Advocacy Center, Inc.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

Gulf Coast Children's Advocacy Center, Inc. records expenditures of federal awards and state financial assistance using the direct cost method and the 10% de minimis indirect cost rate depending on which is allowable by the grantor, both of which are allowed in accordance with the Uniform Guidance.

NOTE D – CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor would become a liability of the Organization. In the opinion of management, all grant expenditures are in compliance with the terms of the agreements and applicable federal and state laws and other applicable regulations.