

**COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.**  
NAPLES, FLORIDA  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017



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CPAs and Consultants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Collier County Child Advocacy Council, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Collier County Child Advocacy Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, 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. 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 Collier County Child Advocacy Council, Inc. as of June 30, 2017, 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.

MYERS, BRETTHOLTZ & COMPANY, PA  
Fort Myers, Florida  
January 24, 2018

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017

<b>ASSETS</b>	
Cash	\$ 289,495
	24,865
Accounts receivable	20,781
Grants receivable	176,206
Prepaid expenses	36,836
Property and equipment, net	<u>858,902</u>
Total assets	<u><u>\$ 1,407,085</u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 37,419
Note payable	<u>177,158</u>
Total liabilities	<u>214,577</u>
 <b>NET ASSETS</b>	
Unrestricted:	
Undesignated	231,617
Board designated	74,039
Equity in property and equipment	<u>858,902</u>
Total unrestricted	1,164,558
Temporarily restricted	5,000
Permanently restricted	<u>22,950</u>
Total net assets	<u>1,192,508</u>
Total liabilities and net assets	<u><u>\$ 1,407,085</u></u>

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

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>				
Gross proceeds from special fund raising events	\$ 148,209	\$ -	\$ -	\$ 148,209
Less direct costs	<u>79,952</u>	<u>-</u>	<u>-</u>	<u>79,952</u>
Net proceeds from special fund raising events	68,257	-	-	68,257
Federal grants	462,735	-	-	462,735
State grants	391,916	-	-	391,916
Local grants	600,283	-	-	600,283
Contributions	129,022	5,000	-	134,022
In-kind services	2,869	-	-	2,869
Interest and dividends	593	-	-	593
Net gain on investments	1,460	-	-	1,460
Other	97,977	-	-	97,977
Net assets released from restrictions	<u>52,386</u>	<u>(52,386)</u>	<u>-</u>	<u>-</u>
 Total revenues and support	 <u>1,807,498</u>	 <u>(47,386)</u>	 <u>-</u>	 <u>1,760,112</u>
<b>EXPENSES</b>				
Program services	1,689,176	-	-	1,689,176
Supporting services	<u>285,219</u>	<u>-</u>	<u>-</u>	<u>285,219</u>
 Total expenses	 <u>1,974,395</u>	 <u>-</u>	 <u>-</u>	 <u>1,974,395</u>
 Decrease in net assets	 (166,897)	 (47,386)	 -	 (214,283)
 NET ASSETS - July 1, 2016	 <u>1,331,455</u>	 <u>52,386</u>	 <u>22,950</u>	 <u>1,406,791</u>
 NET ASSETS - June 30, 2017	 <u>\$ 1,164,558</u>	 <u>\$ 5,000</u>	 <u>\$ 22,950</u>	 <u>\$ 1,192,508</u>

Read Independent Auditor's Report.  
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COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in net assets	<u>\$ (214,283)</u>
Interest and dividends reinvested	(455)
Net gain on investments	(1,460)
Depreciation	39,845
Changes in:	
Accounts receivable	20,060
Grants receivable	(56,579)
Prepaid expenses	5,250
Accounts payable and accrued expenses	<u>(14,511)</u>
Total adjustments	<u>(7,850)</u>
Net cash used by operating activities	<u>(222,133)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(22,950)
Purchases of property and equipment	<u>(27,530)</u>
Net cash used by investing activities	<u>(50,480)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on note payable	<u>(2,447)</u>
Net decrease in cash	(275,060)
CASH - July 1, 2016	<u>564,555</u>
CASH - June 30, 2017	<u>\$ 289,495</u>

**SUPPLEMENTAL DISCLOSURES:**

Cash paid for interest	<u>\$ 9,817</u>
Non-cash contributions	<u>\$ 2,869</u>

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COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017

	Program Services	Supporting Services		Total Supporting Services	Total
		General and Administrative	Fund Raising		
Salaries	\$ 1,032,714	\$ 103,481	\$ 74,940	\$ 178,421	\$ 1,211,135
Payroll taxes	77,764	7,786	5,567	13,353	91,117
Employee benefits	208,829	15,123	-	15,123	223,952
Total salaries and related expenses	1,319,307	126,390	80,507	206,897	1,526,204
Advertising and promotion	7,106	2,778	-	2,778	9,884
Communications	25,070	2,607	-	2,607	27,677
Dues and subscriptions	9,785	5,074	6,288	11,362	21,147
Education and seminars	26,214	12,507	-	12,507	38,721
Insurance	27,394	2,943	-	2,943	30,337
Interest	-	9,817	-	9,817	9,817
Miscellaneous	2,975	8,105	-	8,105	11,080
Postage	145	1,079	-	1,079	1,224
Printing	17,502	184	-	184	17,686
Professional services	125,538	2,711	-	2,711	128,249
Rent	5,554	201	-	201	5,755
Repairs and maintenance	48,828	11,110	-	11,110	59,938
Supplies	16,917	8,058	-	8,058	24,975
Travel	14,785	539	-	539	15,324
Utilities	5,797	735	-	735	6,532
Total expenses before depreciation	1,652,917	194,838	86,795	281,633	1,934,550
Depreciation	36,259	3,586	-	3,586	39,845
Total expenses	<u>\$ 1,689,176</u>	<u>\$ 198,424</u>	<u>\$ 86,795</u>	<u>\$ 285,219</u>	<u>\$ 1,974,395</u>

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

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 1 - THE ORGANIZATION**

Collier County Child Advocacy Council, Inc. (the “Organization”) was incorporated on April 9, 1986, under the laws of Florida as a nonprofit organization to minimize trauma and enhance families’ capabilities to provide a safe environment for their children by utilizing a cooperative, multi-disciplinary team approach to the identification, intervention, and treatment of child abuse and neglect in Collier County.

**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 January 24, 2018, 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 allocations of the Organization’s investment in their general endowment fund. Gains and losses on equity securities sold are based on the specific identification method.

Accounts and Grants Receivable

Management has reviewed accounts and grants receivable and considers them to be fully collectible. Based on this and the Organization’s prior history of insignificant bad debt, no allowance for uncollectible accounts has been recorded. Expense is recognized during the period in which a specific account is determined to be uncollectible. There was no bad debt expense for the year ended June 30, 2017.

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

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

Property and Equipment

Property and equipment purchased 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 \$500 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 does not accrue compensated absences as a liability since neither vacation nor sick leave is paid out upon termination.

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 and property and equipment, 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. Investments are valued based on the classification as further described in the investment policy above.

Revenues and Support

Contributions 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.

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

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

Revenues and Support (Continued)

Support from federal, state and local 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. Support from local crimes compensation funding is recorded when received, as amounts cannot be determined when services are provided.

Contributed Services

Contributed services are recorded as contributions in the accompanying financial statements at their estimated current value on the date of receipt. Contributions of services are recognized only if services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by the individual possessing those skills, and would typically be purchased if not provided by donation. For the year ended June 30, 2017, the Organization's estimate of the fair value of in-kind services totaled \$2,869.

Advertising and Promotion

Costs related to advertising and promotion are expensed as incurred.

Cash Flows

The Organization made cash payments of \$9,817 for interest and no cash payments for income taxes during the year ended June 30, 2017.

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 based on a time study for employee related costs and calculation of program square footage for facilities related expenses.

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. As of June 30, 2017, these balances were fully insured, based on the bank statement balances, less the FDIC insurance.

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017

**NOTE 5 - INVESTMENTS**

Investments consisted of pooled funds as of June 30, 2017. The cost basis of Level 3 investments as of June 30, 2017, or funds maintained by the Community Foundation of Collier County (the “Community Foundation”) cannot be determined. The unrealized gains or losses are netted against realized gains or losses and are included in net gain on investments in the statement of activities. During the year ended June 30, 2017, the Organization had net realized gains of \$1,038 and net unrealized gains of \$422. Investment fees were \$138 for the year ended June 30, 2017, and are included in miscellaneous expenses.

The following are the major categories of assets measured at fair value on a recurring basis during the year ended June 30, 2017, using 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, 2017
Pooled funds	\$ -	\$ -	\$ 24,865	\$ 24,865

Fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2017:

Beginning balance	
Purchases	\$ 22,950
Total gains or losses (realized/ unrealized) included in earnings	1,460
Interest and dividends	593
Fees	(138)
Ending balance	<u>\$ 24,865</u>

**NOTE 6 - ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following as of June 30, 2017:

Crimes compensation	\$ 3,000
Family safety	308
Collier County	10,075
Children’s Hospital	1,325
Development	6,000
Other	73
	<u>\$ 20,781</u>

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017

**NOTE 7 - GRANTS RECEIVABLE**

Grants receivable consisted of the following as of June 30, 2017:

Department of Health - CPX8C	\$	55,334
Department of Health - CSBNA		5,840
Collier County - HUD		13,936
VOCA Contract		73,572
Children's Network of SWFL		6,780
FNCAC		20,744
		\$ 176,206

**NOTE 8 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2017:

	Estimated Useful Lives	Amount
Property not in service	N/A	\$ 202,949
Building	35-39 years	930,957
Building improvements	10-15 years	19,054
Furniture and equipment	3-10 years	266,353
		1,419,313
Less: accumulated depreciation		(560,411)
		\$ 858,902

Depreciation expense for the year ended June 30, 2017, was \$39,845 and is allocated between program services and supporting services.

**NOTE 9 - NOTE PAYABLE**

The Organization has a note payable with an original principal balance of \$180,000 for the purchase of a building. The note payable is collateralized by real property and matures on April 22, 2046. The note payable bears an interest rate of 5.5% through April 21, 2026. Commencing on April 22, 2026 through April 22, 2046, the interest rate will be 2.5% plus the prime rate of interest reported by the Wall Street Journal. The note payable calls for 360 monthly payments of \$1,022 for principal and interest. As of June 30, 2017, the outstanding balance was \$177,158.

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017

**NOTE 9 - NOTE PAYABLE (Continued)**

Future maturities of the note payable are as follows:

<u>Years ending June 30,</u>		
2018	\$	12,264
2019		12,264
2020		12,264
2021		12,264
2022		12,264
Thereafter		<u>292,299</u>
		353,619
Less: interest		<u>176,461</u>
	\$	<u><u>177,158</u></u>

Interest expense for the year ended June 30, 2017 was \$9,817 and is included in supporting services.

**NOTE 10 - BOARD DESIGNATED NET ASSETS**

Board designated net assets consist of funds designated for future contingencies.

**NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of a \$5,000 contribution for the capital campaign as of June 30, 2017.

**NOTE 12 - PERMANENTLY RESTRICTED NET ASSETS**

The Organization maintains permanently restricted net assets from which the earnings may be used to supplement operating revenues. The permanently restricted net assets totaled \$22,950 as of June 30, 2017.

**NOTE 13 - COMMUNITY FOUNDATION DESIGNATED FUND**

The Organization is the beneficiary of a designated fund maintained by the Community Foundation. During the year ended June 30, 2017, the Organization received a \$5,000 matching investment from the Community Foundation. The matching investment and any contributions solicited by the Community Foundation on behalf of the Organization will remain the assets of the Community Foundation. Earnings derived from the designated fund will be available to the Organization in accordance with the spending policy of the Community Foundation. The balance as of June 30, 2017 was \$5,417.

**NOTE 14 - EMPLOYEE BENEFIT PLAN**

The Organization contributes up to 4% of total compensation to a 401(k) retirement plan for eligible employees. Total employee benefit plan expense for the year ended June 30, 2017 was \$42,439, and is included in employee benefits.

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 15 - ECONOMIC DEPENDENCY**

During the year ended June 30, 2017, the Organization received approximately 18% of its revenue from a grant from the State of Florida Department of Health, 16% of its revenue from the State of Florida Office of the Attorney General and 27% of its revenue from an individual community grant.