

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.
NAPLES, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016



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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, 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. 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, 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.

MYERS, BRETTTHOLTZ & COMPANY, PA

Fort Myers, Florida

October 26, 2016

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COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

| | |
|---------------------------------------|----------------------------|
| ASSETS | |
| Cash | \$ 564,555 |
| Accounts receivable | 40,841 |
| Grants receivable | 119,627 |
| Prepaid expenses | 42,086 |
| Property and equipment, net | <u>871,217</u> |
| Total assets | <u><u>\$ 1,638,326</u></u> |
| LIABILITIES AND NET ASSETS | |
| LIABILITIES | |
| Accounts payable and accrued expenses | \$ 51,930 |
| Note payable | <u>179,605</u> |
| Total liabilities | <u>231,535</u> |
| NET ASSETS | |
| Unrestricted: | |
| Undesignated | 386,199 |
| Board designated | 74,039 |
| Equity in property and equipment | <u>871,217</u> |
| Total unrestricted | 1,331,455 |
| Temporarily restricted | 52,386 |
| Permanently restricted | <u>22,950</u> |
| Total net assets | <u>1,406,791</u> |
| Total liabilities and net assets | <u><u>\$ 1,638,326</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, 2016

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|-------------------------|-----------------------------------|-----------------------------------|-------------------------|
| REVENUES AND SUPPORT | | | | |
| Gross proceeds from special fund raising events | \$ 179,989 | \$ - | \$ - | \$ 179,989 |
| Less direct costs | <u>97,638</u> | <u>-</u> | <u>-</u> | <u>97,638</u> |
| Net proceeds from special fund raising events | 82,351 | - | - | 82,351 |
| Federal grants | 498,331 | - | - | 498,331 |
| State grants | 393,752 | - | - | 393,752 |
| Local grants | 592,901 | - | - | 592,901 |
| Contributions | 117,422 | 52,386 | - | 169,808 |
| Other | 109,677 | - | - | 109,677 |
| Net assets released from restrictions | <u>2,000</u> | <u>(2,000)</u> | <u>-</u> | <u>-</u> |
| Total revenues and support | <u>1,796,434</u> | <u>50,386</u> | <u>-</u> | <u>1,846,820</u> |
| EXPENSES | | | | |
| Program services | 1,675,354 | - | - | 1,675,354 |
| Supporting services | <u>353,318</u> | <u>-</u> | <u>-</u> | <u>353,318</u> |
| Total expenses | <u>2,028,672</u> | <u>-</u> | <u>-</u> | <u>2,028,672</u> |
| (Decrease) increase in net assets | (232,238) | 50,386 | - | (181,852) |
| NET ASSETS - July 1, 2015 | <u>1,563,693</u> | <u>2,000</u> | <u>22,950</u> | <u>1,588,643</u> |
| NET ASSETS - June 30, 2016 | <u>\$ 1,331,455</u> | <u>\$ 52,386</u> | <u>\$ 22,950</u> | <u>\$ 1,406,791</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 CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

| | |
|---|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Decrease in net assets | <u>\$ (181,852)</u> |
| Adjustments to reconcile decrease in net assets to net cash used by operating activities: | |
| Depreciation | 39,529 |
| Changes in: | |
| Accounts receivable | (11,466) |
| Grants receivable | 73,091 |
| Prepaid expenses | (3,624) |
| Accounts payable and accrued expenses | <u>10,561</u> |
| Total adjustments | <u>108,091</u> |
| Net cash used by operating activities | (73,761) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchases of property and equipment | (31,634) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Principal payments on note payable | <u>(395)</u> |
| Net decrease in cash | (105,790) |
| CASH - July 1, 2015 | <u>670,345</u> |
| CASH - June 30, 2016 | <u><u>\$ 564,555</u></u> |

SUPPLEMENTAL DISCLOSURES:

The Organization paid cash of \$1,649 for interest.

The Organization had non-cash financing of \$180,000 related to property purchase.

Read Independent Auditor's Report.
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part of the financial statements.

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

| | Program Services | Supporting Services | | Total Supporting Services | Total |
|--|---------------------|-------------------------------|------------------|---------------------------------|---------------------|
| | | General and Administrative | Fund Raising | | |
| Salaries | \$ 1,068,684 | \$ 118,857 | \$ 70,467 | \$ 189,324 | \$ 1,258,008 |
| Payroll taxes | 82,686 | 7,780 | 6,693 | 14,473 | 97,159 |
| Employee benefits | 192,812 | 10,539 | - | 10,539 | 203,351 |
| Total salaries and related expenses | 1,344,182 | 137,176 | 77,160 | 214,336 | 1,558,518 |
| Advertising and promotion | 24,103 | 7,948 | - | 7,948 | 32,051 |
| Bad debt | 3,158 | - | - | - | 3,158 |
| Communications | 23,197 | 3,054 | - | 3,054 | 26,251 |
| Dues and subscriptions | 6,494 | 8,491 | 3,496 | 11,987 | 18,481 |
| Education and seminars | 36,648 | 21,427 | - | 21,427 | 58,075 |
| Insurance | 26,260 | 2,841 | - | 2,841 | 29,101 |
| Interest | - | 1,649 | - | 1,649 | 1,649 |
| Miscellaneous | 661 | 10,882 | - | 10,882 | 11,543 |
| Postage | 398 | 1,369 | 26 | 1,395 | 1,793 |
| Printing | 12,949 | 149 | - | 149 | 13,098 |
| Professional services | 136,604 | 12,195 | - | 12,195 | 148,799 |
| Rent | 4,838 | 1,059 | - | 1,059 | 5,897 |
| Repairs and maintenance | 25,908 | 14,246 | - | 14,246 | 40,154 |
| Supplies | 9,686 | 10,086 | - | 10,086 | 19,772 |
| Travel | 14,679 | - | - | - | 14,679 |
| Utilities | 5,589 | 535 | - | 535 | 6,124 |
| Total expenses before depreciation | 1,675,354 | 233,107 | 80,682 | 313,789 | 1,989,143 |
| Depreciation | - | 39,529 | - | 39,529 | 39,529 |
| Total expenses | <u>\$ 1,675,354</u> | <u>\$ 272,636</u> | <u>\$ 80,682</u> | <u>\$ 353,318</u> | <u>\$ 2,028,672</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, 2016

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 October 26, 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.

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. Bad debt expense was \$3,158 for the year ended June 30, 2016.

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 \$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 7 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.

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

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

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

Fair Value of Financial Instruments

Substantially all of the Organization's assets and liabilities, excluding prepaid expenses 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.

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.

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

Advertising and Promotion

Costs related to advertising and promotion are expensed as incurred.

Cash Flows

The Organization made cash payments of \$1,649 for interest and no cash payments for income taxes during the year ended June 30, 2016.

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 per institution. As of June 30, 2016, these balances were fully insured, based on the bank statement balances, less the FDIC insurance.

NOTE 5 - ACCOUNTS RECEIVABLE

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

| | |
|---------------------|------------------|
| Family safety | \$ 20,000 |
| Collier County | 14,550 |
| Children's Hospital | 5,993 |
| Other | 298 |
| | <u>\$ 40,841</u> |

NOTE 6 - GRANTS RECEIVABLE

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

| | |
|-------------------------------------|-------------------|
| VOCA Contract V240-15059 | \$ 75,187 |
| Department of Health Contract CPX8C | 31,704 |
| Children's Network of SWFL | 6,230 |
| FNCAC | 3,590 |
| Department of Health Contract CSANA | 2,916 |
| | <u>\$ 119,627</u> |

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016

NOTE 7 - PROPERTY AND EQUIPMENT

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

| | 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 | 238,822 |
| | | 1,391,782 |
| Less: accumulated depreciation | | (520,565) |
| | | \$ 871,217 |

Depreciation expense for the year ended June 30, 2016, was \$39,529 and is included in supporting services.

NOTE 8 - NOTE PAYABLE

Effective April 21, 2016, the Organization executed a note payable in the amount 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, 2016, the outstanding balance was \$179,605.

Future maturities of the note payable are as follows:

| Years ending June 30, | | |
|-----------------------|----|------------|
| 2017 | \$ | 2,447 |
| 2018 | | 2,585 |
| 2019 | | 2,731 |
| 2020 | | 2,885 |
| 2021 | | 3,048 |
| Thereafter | | 165,909 |
| | | \$ 179,605 |

Interest expense for the year ended June 30, 2016 was \$1,649 and is included in supporting services.

NOTE 9 - BOARD DESIGNATED NET ASSETS

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

COLLIER COUNTY CHILD ADVOCACY COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30, 2016:

| | |
|-----------------|------------------|
| Parenting | \$ 16,001 |
| Family safety | 20,000 |
| iRecord machine | 16,385 |
| | <u>\$ 52,386</u> |

NOTE 11 - 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, 2016.

NOTE 12 - EMPLOYEE BENEFIT PLAN

The Organization contributes up to 4% of total compensation to a 401K retirement plan for eligible employees. Total employee benefit plan expense for the year ended June 30, 2016 was \$33,563, and is included in employee benefits.

NOTE 13 - MATCHING REQUIREMENTS

The Organization received a portion of its support from federal funds passed through the Florida Attorney General's Office. This grant, V240-14059, had matching requirements. All matching requirements were met with cash from local sources. In addition, the Organization received additional support passed through Children's Network of Southwest Florida which had matching requirements. All matching requirements were met with cash from local sources.

NOTE 14 - ECONOMIC DEPENDENCY

During the year ended June 30, 2016, the Organization received approximately 17% of its revenue from a grant from the State of Florida Department of Health, 15% of its revenue from the State of Florida Office of the Attorney General and 25% of its revenue from an individual community grant.