Child Protection Center, Inc.

Audited Financial Statements

June 30, 2016 and 2015

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Gregory, Sharer & Stuart, P.A.
Certified Public Accountants and Business Consultants

Independent Auditor's Report

Board of Directors
Child Protection Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Child Protection Center, Inc., which comprise the statements of financial position as of June 30, 2016 and 2015; the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Child Protection Center, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gregory, Sharer & Stuart, P.A.

Gregory, Sharer + Stuart, P.A.

St. Petersburg, Florida
October 19, 2016

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	June 30, 2016	June 30, 2015
Assets		
Cash	$ 1,607,375	$ 1,333,451
Certificate of deposit	35,225	35,197
Grant and contract receivables	197,191	215,854
Unconditional promises to give, net	25,000	5,000
Prepaid expenses and other assets	17,077	13,578
Deposits	1,847	1,812
Property and equipment, net	3,498,939	3,681,650
Total assets	$ 5,382,654	$ 5,286,542
Liabilities and net assets		
Liabilities		
Accounts payable	$ 8,838	$ 3,848
Deferred revenue	36,090	55,380
Total liabilities	44,928	59,228
Net assets		
Unrestricted		
Undesignated	4,847,377	4,727,317
Designated		
Board-designated endowment	490,349	490,103
Temporarily restricted		
Operating fund	-	9,894
Total net assets	5,337,726	5,227,314
Total liabilities and net assets	$ 5,382,654	$ 5,286,542

	Year Ended June 30, 2016				Summarized Comparative Totals Year Ended June 30, 2015
		Temporarily Restricted			
	Unrestricted	Operating	Building Fund	Total	2015
Revenues and support					
Federal and state contracts	$ 1,003,082	$ -	$ -	$ 1,003,082	$ 972,991
County government grants	245,053	-	-	245,053	254,594
United Way	83,557	-	-	83,557	81,643
Foundations and private grants	308,395	-	-	308,395	251,111
Contributions	368,537	-	-	368,537	831,707
Rental	-	-	-	-	6,314
Interest	311	-	-	311	265
Special events, net of special event expenses of $100,232	335,813	-	-	335,813	308,706
Other	12,020	-	-	12,020	16,331
Client fees	10,656	-	-	10,656	12,653
Net assets released from restriction					
Satisfaction of time and use restrictions	9,894	(9,894)	-	-	-
Total revenues and support	2,377,318	(9,894)	-	2,367,424	2,736,315
Expenses					
Program services					
Intervention	1,035,183	-	-	1,035,183	923,800
Prevention and education	207,379	-	-	207,379	220,105
Treatment	682,394	-	-	682,394	594,128
Total program services	1,924,956	-	-	1,924,956	1,738,033
Supporting services					
General	169,476	-	-	169,476	215,336
Fundraising	195,936	-	-	195,936	175,978
Total supporting services	365,412	-	-	365,412	391,314
Total expenses	2,290,368	-	-	2,290,368	2,129,347
Gain (loss) on disposal of equipment	33,356	-	-	33,356	(8,088)
Change in net assets	120,306	(9,894)	-	110,412	598,880
Net assets at beginning of year	5,217,420	9,894	-	5,227,314	4,628,434
Net assets at end of year	$ 5,337,726	$ -	$ -	$ 5,337,726	$ 5,227,314

Child Protection Center, Inc.

Statement of Activities

Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted: Operating	Temporarily Restricted: Building Fund	Total
Revenues and support				
Federal and state contracts	$ 972,991	$ -	$ -	$ 972,991
County government grants	250,259	4,335	-	254,594
United Way	81,643	-	-	81,643
Foundations and private grants	251,111	-	-	251,111
Contributions	831,707	-	-	831,707
Rental	6,314	-	-	6,314
Interest	265	-	-	265
Special events, net of special event expenses of $99,359	303,706	5,000	-	308,706
Other	16,331	-	-	16,331
Client fees	12,653	-	-	12,653
Net assets released from restriction				
Satisfaction of time and use restrictions	84,520	(11,263)	(73,257)	-
Total revenues and support	2,811,500	(1,928)	(73,257)	2,736,315
Expenses				
Program services				
Intervention	923,800	-	-	923,800
Prevention and education	220,105	-	-	220,105
Treatment	594,128	-	-	594,128
Total program services	1,738,033	-	-	1,738,033
Supporting services				
General	215,336	-	-	215,336
Fundraising	175,978	-	-	175,978
Total supporting services	391,314	-	-	391,314
Total expenses	2,129,347	-	-	2,129,347
Loss on disposal of equipment	(8,088)	-	-	(8,088)
Change in net assets	674,065	(1,928)	(73,257)	598,880
Net assets at beginning of year	4,543,355	11,822	73,257	4,628,434
Net assets at end of year	$ 5,217,420	$ 9,894	$ -	$ 5,227,314

Child Protection Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2016

	Program						
	Intervention	Prevention and Education	Treatment	Total Program	General Support	Fundraising	Total Expenses
Personnel and contractual							
Program directors/coordinator	$ 391,435	$ 99,836	$ 58,766	$ 550,037	$ -	$ -	$ 550,037
Administrative/clerical	99,207	18,120	98,696	216,023	29,504	142,089	387,616
Medical/psychological/therapist	94,985	-	233,344	328,329	-	-	328,329
Accountant	55,522	9,944	42,644	108,110	12,811	-	120,921
Fringe benefits and payroll taxes	141,823	36,510	84,144	262,477	6,661	33,225	302,363
Total personnel and contractual	782,972	164,410	517,594	1,464,976	48,976	175,314	1,689,266
Other expenses							
Audit	11,388	2,322	8,129	21,839	3,445	120	25,404
Bank and credit card fees	88	25	76	189	1,084	-	1,273
Payroll related expenses	9,156	2,234	7,938	19,328	2,985	-	22,313
Equipment rental and maintenance	11,793	2,529	8,349	22,671	2,692	2,709	28,072
Advertising and promotion	2,999	955	2,139	6,093	1,659	1,067	8,819
Travel and conferences	20,230	3,506	16,981	40,717	1,176	111	42,004
Occupancy	26,689	-	9,463	36,152	-	-	36,152
Telephone	17,923	567	3,045	21,535	1,395	99	23,029
Supplies, office and postage	20,535	1,363	8,869	30,767	7,392	2,376	40,535
Printing and materials	15,827	2,310	14,772	32,909	2,500	7,404	42,813
Insurance	13,999	4,293	14,115	32,407	5,986	453	38,846
Meals and entertainment	1,228	458	607	2,293	3,233	2,634	8,160
Dues and subscriptions	1,033	239	636	1,908	1,822	613	4,343
Miscellaneous	575	26	224	825	2,690	510	4,025
Depreciation	37,891	14,209	47,477	99,577	68,081	-	167,658
Building expense	53,759	7,762	21,458	82,979	13,529	-	96,508
Professional fees	7,098	171	522	7,791	831	2,526	11,148
Total other expenses	252,211	42,969	164,800	459,980	120,500	20,622	601,102
Total functional expenses	$ 1,035,183	$ 207,379	$ 682,394	$ 1,924,956	$ 169,476	$ 195,936	$ 2,290,368

See the accompanying notes to financial statements.

Child Protection Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2015

	Program						
	Intervention	Prevention and Education	Treatment	Total Program	General Support	Fundraising	Total Expenses
Personnel and contractual							
Program directors/coordinator	$ 371,723	$ 92,755	$ 57,099	$ 521,577	$ -	$ -	$ 521,577
Administrative/clerical	67,276	13,625	76,348	157,249	44,952	122,349	324,550
Medical/psychological/therapist	74,501	-	191,644	266,145	-	-	266,145
Accountant	36,220	8,782	27,226	72,228	11,631	-	83,859
Fringe benefits and payroll taxes	128,091	32,041	77,716	237,848	14,187	31,265	283,300
Total personnel and contractual	677,811	147,203	430,033	1,255,047	70,770	153,614	1,479,431
Other expenses							
Audit	9,677	2,599	6,827	19,103	2,693	-	21,796
Bank and credit card fees	30	-	-	30	2,741	-	2,771
Payroll related expenses	8,744	2,070	7,605	18,419	1,823	-	20,242
Equipment rental and maintenance	12,608	3,332	8,651	24,591	5,185	6,063	35,839
Advertising and promotion	1,439	502	1,975	3,916	3,052	3,625	10,593
Travel and conferences	21,182	3,298	15,267	39,747	1,288	1,801	42,836
Occupancy	26,689	-	9,913	36,602	-	-	36,602
Telephone	22,008	517	4,013	26,538	1,435	-	27,973
Supplies, office and postage	14,673	1,775	4,913	21,361	5,748	1,883	28,992
Printing and materials	11,284	28,531	9,503	49,318	1,762	3,123	54,203
Insurance	16,613	4,394	15,363	36,370	5,321	-	41,691
Meals and entertainment	1,407	173	698	2,278	3,550	3,435	9,263
Dues and subscriptions	617	695	363	1,675	2,041	300	4,016
Miscellaneous	2,173	95	376	2,644	12,045	724	15,413
Interest	775	188	680	1,643	382	-	2,025
Depreciation	42,870	16,076	53,717	112,663	77,028	-	189,691
Building expense	49,219	7,745	21,138	78,102	11,095	-	89,197
Bad debt expense	-	-	-	-	2,000	-	2,000
Professional fees	3,981	912	3,093	7,986	5,377	1,410	14,773
Total other expenses	245,989	72,902	164,095	482,986	144,566	22,364	649,916
Total functional expenses	$ 923,800	$ 220,105	$ 594,128	$ 1,738,033	$ 215,336	$ 175,978	$ 2,129,347

	Year Ended June 30, 2016	2015
Cash flows from operating activities		
Change in net assets	$ 110,412	$ 598,880
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	167,658	189,691
(Gain) loss on disposal of equipment	(33,356)	8,088
Bad debt expense	-	2,000
Decrease (increase) in operating assets		
Grant and contract receivables	18,663	(87,499)
Unconditional promises to give	(20,000)	(1,000)
Prepaid expenses	(3,499)	6,487
Deposits	(35)	(105)
Increase (decrease) in operating liabilities		
Accounts payable	4,990	(2,440)
Deferred revenue	(19,290)	30,880
Net cash provided by operating activities	225,543	744,982
Cash flows from investing activities		
Purchase of property and equipment	(1,591)	(8,896)
Proceeds from sale of property and equipment	50,000	-
Purchase of certificate of deposit	(28)	(121)
Net cash provided (used) by investing activities	48,381	(9,017)
Cash flows from financing activities		
Principal payments on notes payable	-	(85,950)
Increase in cash	273,924	650,015
Cash at beginning of year	1,333,451	683,436
Cash at end of year	$ 1,607,375	$ 1,333,451
Supplemental disclosure		
Cash paid for interest	$ -	$ 2,025

Note A - Organization and Summary of Significant Accounting Policies

Organization

Child Protection Center, Inc. (Center) is a not-for-profit corporation incorporated on July 15, 1981 and located in Sarasota, Florida. The Center administers a variety of programs with the goal of preventing, intervening in, and treating child abuse consistent with their stated vision: "We envision a community where children are safe from abuse and free to thrive." Services are provided primarily to individuals who reside in the greater Sarasota region of Florida.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period the gift or investment income is received, the amount is reported as unrestricted revenue. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Unrestricted board-designated net assets consist of net assets designated by the board of directors for a board-designated endowment.

Temporarily restricted net assets include gifts subject to donor-imposed restrictions that may or will be met by actions of the Center and/or passage of time. When restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently restricted net assets include net assets subject to donor-imposed stipulations that they be maintained permanently by the Center.

Income Tax

The Center has been determined to be an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Center's tax-exempt purpose is subject to taxation as unrelated business income.

Revenue Recognition

Income from government contracts is earned on agreed rates for services provided or reimbursed based on allowable costs expended for program services.

Contributions and Recognition of Donor Restriction

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Center does not imply a time restriction on donated long-lived assets unless the donor stipulates a time period for use of the contributed long-lived asset.

Unconditional Promises to Give

Contributions are recognized at their fair value when the donor makes the contribution. The carrying amount of unconditional promises to give is reduced by a valuation allowance that reflects management’s best estimate of the amount that will not be collected based on historical experience and an assessment of individual balances. Amounts deemed uncollectible are written off to bad debt expense. Unconditional promises to give at the statement of financial position date are considered collectible by management and no valuation allowance has been provided.

Certificate of Deposit

The certificate of deposit is carried at cost plus accrued interest, which approximates fair value. The certificate has a stated interest rate of .10% and matures in August 2017.

Property and Equipment

Property and equipment is carried at cost if purchased or at estimated fair market value at date of receipt if acquired by gift. Expenditures in excess of $1,500 with estimated useful lives greater than one year are capitalized. Depreciation on all property and equipment is calculated by the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	12-39 years
Equipment	5-7 years
Furniture	7 years
Playground equipment	15 years

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred.

Property acquired with government funds is considered to be owned by the Center while used in the program for which it was purchased or in future authorized programs; however, its disposition and the ownership of any proceeds are subject to applicable regulations.

Impairment of Long-Lived Assets

The Center evaluates the recoverability of its buildings and improvements and equipment whenever adverse events or changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment existed at June 30, 2016 or 2015.

Donated Material and Services

Donations of materials are recorded as support at the estimated fair market value at the date of donation. Donations of services are recorded as support at their estimated fair value if the services received create or enhance nonfinancial assets or the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A number of full and part-time volunteers have made contributions of their time to maintain the Center's programs. The estimated value of this contributed time is not reflected in these financial statements, since these services do not meet recognition requirements.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated all events subsequent to the statement of financial position date of June 30, 2016 through October 19, 2016, which is the date these financial statements were available to be issued. With the exception of the matter discussed in Note C, there were no subsequent events that required recognition or disclosure in these financial statements.

Note B - Property and Equipment

Costs and accumulated depreciation of property and equipment are summarized as follows at June 30:

	2016	2015
Building and improvements	$ 4,066,426	$ 4,084,435
Equipment	323,259	323,259
Furniture	176,633	178,142
Playground equipment	148,377	148,377
	4,714,695	4,734,213
Less accumulated depreciation	(1,215,756)	(1,052,563)
	$ 3,498,939	$ 3,681,650

Note C - Lease Commitments

The Center leases certain facilities under operating lease agreements varying in length from one to three years.

In July 2016, the Center signed a lease agreement for office space ending September 2018.

Future minimum lease commitments for noncancelable operating leases are as follows at June 30, 2016:

Year Ending June 30,	
2017	$ 41,100
2018	46,540
2019	10,164
	$ 97,804

Lease expense for the years ended June 30, 2016 and 2015 was $36,152 and $36,602, respectively.

Note D - Employee Benefit Plan

The Center has a 401(k) salary deferral plan covering substantially all of its employees. The Center makes a discretionary contribution to the plan, presently 7% of an employee's annual salary. For the years ended June 30, 2016 and 2015, the Center made contributions to the plan totaling $63,908 and $58,290, respectively.

Note E - Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2016 and 2015 are comprised of the operating fund in the amount of $0 and $9,894, respectively. At June 30, 2015, the operating fund included $5,000 of unconditional promises to give that were outstanding as of June 30, 2015 and $4,894 of contributions that were restricted for various program purposes.

Note F - Line Of Credit

The Center has a secured line of credit of $100,000 with a local bank. Borrowings under the credit line carry a variable interest rate (3.5% and 3.25% at June 30, 2016 and 2015, respectively) subject to change based on the banking institution's prime rate index. There was no outstanding balance as of June 30, 2016 and 2015. The line of credit is secured by the Center’s certificate of deposit, equipment, and general intangibles.

Note G - Unconditional Promises to Give

Unconditional promises to give of $25,000 and $5,000 at June 30, 2016 and 2015, respectively, are expected to be collected within one year.

Note H- Commitments and Contingencies

The Center routinely enters into grant agreements and contracts with government agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Center's program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Center's financial statements cannot be determined at this time and no provision has been made for any such adjustment in the accompanying financial statements.

Note I - Funding and Credit Concentrations

Revenues

The Center receives a substantial portion of its support directly from federal, state, and local government agencies or as pass-through government funding awards from other local agencies. Continuation of the Center's program services is greatly dependent upon the continued support of these agencies.

The Center received three grants from federal, state, and county agencies, which comprise approximately 41% and 35% of the total revenues for the years ended June 30, 2016 and 2015, respectively.

Cash Deposits

The Center maintains demand deposit accounts at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000 or the Securities Investor Protection Corporation up to $500,000. Account balances periodically exceed the federally insured limits.

Unconditional Promises to Give

Concentrations of credit risk with respect to unconditional promises to give exist. As of June 30, 2016, approximately 100% of the unconditional promises to give are due from three donors. As of June 30, 2015, approximately 100% of the unconditional promises to give are due from one donor.

Note J - Endowment Funds

The Center's endowment fund (endowment) includes unrestricted net assets designated for endowment by the board of directors to provide future support to the Center. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. There are no donor-imposed restrictions on the endowment as of June 30, 2016. The endowment funds consist of cash at June 30, 2016 and will be invested in accordance with the board approved investment policy in the next fiscal year.

The Center considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Center and the endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policy of the Center

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments, while seeking to maintain the purchasing power of endowment assets.

Under these policies, as approved by the board of directors, endowment assets will be invested in a manner that is intended to protect against loss associated with a single security, industry, issuer, or event which focuses on a strategic allocation of portfolio assets across broadly defined financial asset and sub asset categories with varying degrees of risk, return, and return correlation.

Strategies Employed for Achieving Objectives

To satisfy its long-term, rate-of-return objectives, the Center will rely on a total return strategy whereby investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center will target a diversified asset allocation.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Center has an overall goal to increase the endowment to approximately $3 million. Endowment funds shall be used to provide perpetual financial support to the Center.

During July 2016, the endowment fund principal was invested with PNC bank. At the direction of the board of directors, earnings in the endowment are to accumulate until the $3 million goal is met. Any disbursement of earnings prior to meeting the $3 million goal are only allowable by a special board vote.

Endowment net asset composition by type of fund as of June 30, 2016 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	$ 490,349	$ -	$ -	$ 490,349

Changes in endowment funds net assets for the year ended June 30, 2016 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at beginning of year	$ 490,103	$ -	$ -	$ 490,103
Changes in endowment funds during the year:				
Investment return:				
Investment income	246	-	-	246
Net appreciation	-	-	-	-
Total investment return	246	-	-	246
Balance at end of year	$ 490,349	$ -	$ -	$ 490,349

Endowment net asset composition by type of fund as of June 30, 2015 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	$ 490,103	$ -	$ -	$ 490,103

Changes in endowment funds net assets for the year ended June 30, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at beginning of year	$ -	$ -	$ -	$ -
Changes in endowment funds during the year:				
Investment return:				
Investment income	108	-	-	108
Net appreciation	-	-	-	-
Total investment return	108	-	-	108
Contributions to endowment funds during the year	400,000	-	-	400,000
Transfers from general unrestricted funds to board designated endowments	89,995	-	-	89,995
Total changes	490,103	-	-	490,103
Balance at end of year	$ 490,103	$ -	$ -	$ 490,103