

Children's Advocacy Center of SW Florida, Inc.
Financial Statements and
Schedules Required By the Uniform Guidance
Together with Reports of Independent Auditor
Year Ended June 30, 2023

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Independent Auditor's Report

To the Board of Directors
Children's Advocacy Center of SW Florida, Inc.
Fort Myers, Florida

Opinion

We have audited the accompanying financial statements of Children's Advocacy Center of SW Florida, Inc. (the "Organization") (a non-profit corporation), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Advocacy Center of SW Florida, Inc. as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children's Advocacy Center of SW Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note S to the financial statements, the Organization made a prior period adjustment to correct for an error in overstating grants receivable at June 30, 2022. The effects of the prior period adjustment was a decrease of \$43,667 to grants receivable and a decrease to net assets of \$43,667. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

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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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about Children's Advocacy Center of SW Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Children's Advocacy Center of SW Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Advocacy Center of SW Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on on Supplementary 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 ("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; 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 the 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 a report dated March 15, 2024, on our consideration of Children's Advocacy Center of SW Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Children's Advocacy Center of SW Florida, Inc.'s internal control over financial reporting and compliance.



Stroemer & Company, LLC
Fort Myers, Florida
March 15, 2024

Children's Advocacy Center of SW Florida, Inc.
Statement of Financial Position
June 30, 2023

Assets

Current Assets

Cash and cash equivalents	\$ 1,941,194
Investments	525,642
Beneficial interest in assets held by others	13,094
Grants receivable	305,181
Accounts receivable	466
Other receivables	97,478
Prepaid expenses	141,497
Total current assets	3,024,552
Property and equipment, net	2,391,712
Total assets	\$ 5,416,264

Liabilities and fund balances

Current Liabilities

Current portion of long-term debt	\$ 142,804
Accounts payable	46,708
Accrued payroll	142,223
Accrued compensated absences	33,939
Other accrued liabilities	17,592
Total current liabilities	383,266
Long term debt, less current portion	112,459
Total liabilities	495,725

Net Assets

Net assets without donor restrictions:	
Undesignated	4,909,424
Board designated - Chaipel Memorial	11,115
Total net assets without donor restrictions	4,920,539
Net assets with donor restrictions	-
Total net assets	4,920,539
Total liabilities and net assets	\$ 5,416,264

The accompanying notes are an integral part of this statement.

Children's Advocacy Center of SW Florida, Inc.
Statement of Activities
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Changes in Net Assets			
Grant revenue	\$ -	\$ 2,334,697	\$ 2,334,697
Contributions	203,877	-	203,877
Other contracts, client and agency fees	828,557	-	828,557
United Way	362,100	-	362,100
Fundraising - gross	657,416	-	657,416
Gain on investments	37,402	-	37,402
Total support and revenue	<u>2,089,352</u>	<u>2,334,697</u>	<u>4,424,049</u>
Net assets released from restrictions			
Satisfaction of program restrictions - grants and contracts	2,334,697	(2,334,697)	-
Total	<u>4,424,049</u>	<u>-</u>	<u>4,424,049</u>
Operating Expenses			
Program Services	3,352,610	-	3,352,610
Support Services	542,530	-	542,530
Total expenses	<u>3,895,140</u>	<u>-</u>	<u>3,895,140</u>
Change in total net assets	528,909	-	528,909
Net assets, beginning of the year, as originally stated	4,435,297	-	4,435,297
Prior Period Adjustment - See Note S	(43,667)	-	(43,667)
Net assets, beginning of year, as restated	<u>4,391,630</u>	<u>-</u>	<u>4,391,630</u>
Net assets, end of year	<u>\$ 4,920,539</u>	<u>\$ -</u>	<u>\$ 4,920,539</u>

The accompanying notes are an integral part of this statement.

Children's Advocacy Center of SW Florida, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services				Support Services			Total Expenses
	Child Protection Team	Family Alliance	Prevention	Total	Administrative	Fundraising	Total	
Salaries	\$ 1,235,859	\$ 594,456	\$ 420,681	\$ 2,250,996	\$ 338,871	\$ 73,075	\$ 411,946	\$ 2,662,942
Fringe benefits	138,050	97,462	48,303	283,815	35,358	14,485	49,843	333,658
Payroll taxes	92,288	52,029	28,715	173,032	21,021	4,306	25,327	198,359
Insurance	42,886	23,825	12,708	79,419	4,202	420	4,622	84,041
Computer	38,336	20,608	11,279	70,223	2,263	-	2,263	72,486
Maintenance	32,606	18,114	9,661	60,381	3,195	319	3,514	63,895
Equipment lease	18,338	10,188	5,434	33,960	1,797	180	1,977	35,937
Utilities	17,172	9,540	8,793	35,505	-	-	-	35,505
Telephone	16,519	9,177	4,895	30,591	1,619	162	1,781	32,372
Office expense	4,926	2,350	2,468	9,744	21,247	332	21,579	31,323
Supplies	15,122	8,401	4,480	28,003	1,482	148	1,630	29,633
Janitorial	14,896	8,276	4,414	27,586	1,460	146	1,606	29,192
Travel and conferences	11,177	9,846	3,894	24,917	624	56	680	25,597
Furniture/equipment	14,687	1,529	818	17,034	-	-	-	17,034
Attorney	16,192	630	84	16,906	-	-	-	16,906
Audit	6,480	3,600	1,920	12,000	-	-	-	12,000
Developmental grants	-	-	11,354	11,354	-	632	632	11,986
Printing	6,070	3,373	1,798	11,241	595	59	654	11,895
Professional fees	5,969	3,316	1,769	11,054	585	58	643	11,697
Transcriptions	9,848	-	-	9,848	-	-	-	9,848
Advertising	4,992	2,774	1,479	9,245	20	-	20	9,265
Translation	6,742	-	-	6,742	-	-	-	6,742

The accompanying notes are an integral part of this statement.

Children's Advocacy Center of SW Florida, Inc.
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2023

	Program Services				Support Services			Total Expenses
	Child Protection Team	Family Alliance	Prevention	Total	Administrative	Fundraising	Total	
Interest expense	2,962	1,645	878	5,485	10	-	10	5,495
Training and education	2,448	1,544	1,305	5,297	55	-	55	5,352
Dues and subscriptions	2,568	1,427	761	4,756	252	25	277	5,033
X-ray and lab	4,894	-	-	4,894	-	-	-	4,894
Field trips - program	-	-	3,917	3,917	-	-	-	3,917
Background fees	3,725	72	96	3,893	-	-	-	3,893
Taxes and licenses	2,632	590	315	3,537	207	19	226	3,763
Security	1,328	738	394	2,460	130	13	143	2,603
Postage/shipping	1,279	710	379	2,368	125	13	138	2,506
Pension plan fees	1,197	677	384	2,258	-	-	-	2,258
Bank charges	-	-	-	-	2,121	-	2,121	2,121
Waste disposal	1,708	-	-	1,708	-	-	-	1,708
Total expenses before depreciation	1,773,896	886,897	593,376	3,254,169	437,239	94,448	531,687	3,785,856
Depreciation	53,159	29,532	15,750	98,441	10,322	521	10,843	109,284
Total expenses	<u>\$ 1,827,055</u>	<u>\$ 916,429</u>	<u>\$ 609,126</u>	<u>\$ 3,352,610</u>	<u>\$ 447,561</u>	<u>\$ 94,969</u>	<u>\$ 542,530</u>	<u>\$ 3,895,140</u>

The accompanying notes are an integral part of this statement.

Children's Advocacy Center of SW Florida, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities:	
Cash received from grants	\$ 2,540,528
Cash received from contributions	203,877
Cash received from other contracts, client and agency fees	828,557
Cash received from United Way	362,100
Cash received from fundraising	657,416
Interest paid	(5,495)
Cash paid to suppliers and employees	(3,932,581)
Net cash provided by operating activities	654,402
 Cash flows from investing activities:	
Purchases of property and equipment	(197,076)
Purchases of investments	(489,256)
Net cash used in investing activities	(686,332)
 Cash flows from Financial activities:	
Repayments on long-term debt	(257,389)
Net cash used in financing activities	(257,389)
Net change in cash and cash equivalents	(289,319)
Cash and cash equivalents at beginning of year	2,230,513
Cash and cash equivalents at end of year	\$ 1,941,194

The accompanying notes are an integral part of this statement.

Children's Advocacy Center of SW Florida, Inc.
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023

Reconciliation of change in total net assets to net cash provided by operating activities	
Change in total net assets	\$ 528,909
Adjustments:	
Depreciation	109,284
Unrealized gains on investments	(37,402)
(Increase)/decrease in assets:	
Pledges receivable	(99)
Grants receivable	256,518
Other receivables	(50,588)
Prepaid expenses	(26,688)
Increase/(decrease) in liabilities:	
Accounts payable	(58,421)
Accrued payroll	14,429
Accrued compensated absences	(62,098)
Other accrued liabilities	(19,442)
Net cash provided by operating activities	\$ 654,402

The accompanying notes are an integral part of this statement.

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note A - Summary of Significant Accounting Policies

1. Organization and nature of operations

Children's Advocacy Center of SW Florida, Inc. (the "Organization") is a nonprofit organization established under the laws of Florida on to improve the lives of children and their families in Southwest Florida through a coordinated response to child abuse and neglect.

2. Basis of accounting

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. The accounting and reporting policies of the Organization are in accordance with the accounting standards issued by the Financial Accounting Standards Board ("FASB") in the Accounting Standards Codification ("ASC").

3. Financial statement presentation

The Organization adheres to the requirements of the "Not-For-Profit Entities" topic of the FASB ASC. The topic requires the Organization 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 restrictions.

4. Statement of cash flows

For purposes of reporting cash flows, the Organization considers only unrestricted highly liquid investments held for operations and purchased with an original maturity of three months or less to be cash equivalents. It does not consider highly liquid cash equivalents held for investment (non-operating) purposes in reporting cash flows.

5. Concentration of credit risk

The Organization maintains its cash accounts in financial institutions, which, at times may exceed federally-insured limits. The Organization has not experienced any economic losses on such account balances and believes it is not exposed to any significant credit risk on its cash and cash equivalent balances.

6. Investments

Investments purchases are recorded at cost, or if donated, at fair value at the date of the donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return (loss) is reported in the statement of activities and consists of realized and unrealized gains and losses, less investment expenses.

7. Beneficial interest in assets held by others

Beneficial interest in assets held by others are investments in marketable securities held by the Southwest Florida Community Foundation, Inc. They are reported at their fair values in the statement of financial position. Unrealized gains or losses are included in the change of net assets

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note A - Summary of Significant Accounting Policies (continued)

7. Beneficial interest in assets held by others (continued)

in the statement of activities.

The fair value of the assets with significant observable inputs is determined by the community foundation and is based on the Organization's investment in their general endowment fund.

8. Receivables

Accounts, grants, and other receivables are delinquent when they are past due. Management has reviewed accounts, grants and other receivables at June 30, 2023 and considers them fully collectible; therefore management has not established an allowance for uncollectible accounts.

9. Concentrations

The Organization receives a substantial portion of of its support and revenue primarily from federal, state and local grants. If a significant reduction in the level of funding were to occur, it could have an adverse effect on the Organization's programs.

10. Property and equipment

Property and equipment is recorded at cost, or if donated, at fair market value on the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss from disposition is reported on the statement of activities. The Organization's capitalization policy provides that any additions and capital improvements with a cost or donated value of \$3,000 or more and a useful life of greater than one year be capitalized.

11. Impairment of long-lived assets

The Organization adheres to the "Property, Plant and Equipment" topic of the FASB ASC to account for the impairment of long-lived assets. This topic requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Organization's financial statements resulting from this topic for the year ended June 30, 2023.

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note A - Summary of Significant Accounting Policies (continued)

12. Fair value of financial instruments

The FASB ASC topic "Financial Instruments" clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

The Organization's financial instruments consist of cash and cash equivalents, receivables, beneficial interest in assets held by others, prepaid expenses, payables, accrued liabilities, and deferred revenue. The Organization estimates that the fair value of all financial instruments as of June 30, 2023 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

13. Deferred revenue

Funds received for specific activities are deferred until such time as the activity occurs.

14. Compensated absences

The Organization accrues a liability for compensated absences. The amount accrued is recorded based on the total employees' accrued paid time off (PTO) at year-end.

15. Leases

Leases, other than short-term leases, are classified as either finance or operating at inception of the lease, with classification affecting the pattern of expense recognition in the statement of activities. Operating leases result in the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. ROU assets represent the Organization's right to use the leased asset for the lease term and lease liabilities represent the obligation to make lease payments. Lease liabilities are calculated as the present value of the remaining minimum lease payments for existing operating leases using either the rate implicit in the lease or, if none exists, the Organization's incremental borrowing rate.

The Organization classifies all leases that at commencement date have a lease term of 12 months or less, do not include an option to purchase the underlying assets, and long-term leases that are determined to be immaterial as short-term leases. As such, the Organization has taken advantage of the practical expedient permitted within Topic 842, to not recognize the ROU asset or lease liability in its financial statements.

16. Revenue recognition

Revenue from Exchange Transactions:

The Organization recognizes revenue from these types of transactions in accordance with FASB Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note A - Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

recognition. Revenue streams that are included in the statement of activities for the year ended June 30, 2023 with ASU 2014-09 include:

Fundraising

The Organization conducts special events in which a portion of the proceeds paid by a donor represents payment for the direct cost of the benefits received by the donor at the event - the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of the benefit is measured at cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the benefit received by the donor. The direct costs of the special event are recorded as direct donor benefits in the statement of activities. The performance obligation is the delivery of the event. The event fee is set by the Organization. FASB ASU 2014-09 requires the Organization allocate the transaction price to the performance obligations. As such, the Organization presents in the notes to the financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Organization in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after the delivery of the event. For special event fees received before year-end for an event that will occur after year-end, the Organization follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as deferred revenue along with the exchange component.

Revenue from Non-Exchange Transactions:

The Organization recognizes revenue from these types of transactions in accordance with FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 applies to non-exchange transactions. The Organization records the following non-exchange transaction revenue in its statement of activities for the year ended June 30, 2023:

Contributions

Revenue from contributions is recognized at the time the support or contribution is made.

Grants

Revenue from grants is recognized pro-ratably over the contract period as reimbursements are requested and barriers are met.

United Way

Revenue from United Way contracts is recognized pro-ratably over the grant period.

Other contracts, client, and agency fees

Revenue from other contracts, client, and agency fees is recognized pro-ratably over the contract period as reimbursements are requested and barriers are met.

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note A - Summary of Significant Accounting Policies (continued)

17. Contributions

The Organization accounts for its contributions in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. In accordance with this topic, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

18. Recognition of donor restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, or when the purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

19. Donated materials and services

Donated land, buildings, equipment, investments, and other non-cash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as net assets without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective bases is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

20. Functional expenses

The Organization allocates its expenses on a functional basis among its various program and supporting services. Expenses that can be identified with a specific program service are allocated directly according to their natural expenditure classification. Other expenses common to several functions are allocated by various statistical basis.

21. Advertising costs

Advertising costs are expensed as incurred. During the year ended June 30, 2023, costs related to advertising were \$9,265.

22. Income taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization is a not-for-profit Florida corporation and therefore is not subject to state income taxes. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Organization

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note A - Summary of Significant Accounting Policies (continued)

Income taxes (continued)

reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

The Organization's tax filings are subject to audit by various taxing authorities. Certain income tax returns filed by the Organization remain open to examination by these government agencies. The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Organization adopted this guidance. The Organization has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

23. Management estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, 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.

24. Recently issued accounting standards

In February 2016, the FASB issued new guidance that created ASC Topic 842 "Leases". Topic 842 supersedes the lease guidance in ASC Topic 840, and creates a right-of-use ("ROU") model that requires a lessee to record a ROU asset and lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. This guidance also expanded the requirements for lessees to record leases embedded in other arrangements and the required quantitative and qualitative disclosures surrounding leases. Accounting guidance for lessors is essentially unchanged.

The Organization adopted the requirements of this new guidance as of July 1, 2022, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning net assets. The Organization applied the new guidance using the practical expedient provided in Topic 842 that allows the Organization not to reassess (i) whether any expired or existing lease contracts are or contain leases, (ii) the historical lease classification for any expired or existing leases and (iii) initial direct costs for any existing leases.

The adoption of the new lease guidance did not result in any changes to the accompanying financial statements.

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note B - Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year of the balance sheet date for general expenditures were as follows:

Cash and cash equivalents	\$ 1,941,194
Investments	525,642
Beneficial interest in assets held by others	13,094
Grants receivable	305,181
Accounts receivable	466
Other receivables	97,478
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,883,055

The Organization manages its financial assets in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. This topic requires that the Organization maintains sufficient resources to meet the responsibilities of its donors. Therefore financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note C - Investments

Investments as of June 30, 2023 consisted of the following:

Exchange Traded Funds	\$ 525,642
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Note D - Beneficial Interest in Assets Held by Others

The Southwest Florida Community Foundation, Inc. ("Southwest") maintains an agency endowment fund (the "Children's Advocacy Center of SW Florida Fund"). The agency endowment fund is not designated and is therefore recorded on the statement of financial position of the Organization. During the year ended June 30, 2023 additions, accumulated interest, market fluctuations, and fees have resulted in net changes totaling \$1,016. As of June 30, 2023, the balance of the fund was \$13,094.

Note E - Grants Receivable

Grants receivable as of June 30, 2023 consisted of the following:

Department of Health Social Services Child Protection CP18B	\$ 119,800
Crime Victim Assistance (VOCA-2022-00481)	129,592
Florida Network of Children's Advocacy Centers	21,190
Medical Services for Abused and Neglected Children (CP1FM)	6,840
Promoting Safe and Stable Families (BBT03)	27,759

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note E - Grants Receivable (continued)

\$ 305,181

Note F - Other Receivables

Other receivables as of June 30, 2023 consisted of the following:

Lee, Charlotte, and Hendry County Medical Exams	\$ 66,494
Crimes Compensation - State of Florida	21,000
Cobra receivable	5,484
Children's Hospital of SWFL	4,500
	<u><u>\$ 97,478</u></u>

Note G - Property and Equipment

Property and equipment as of June 30, 2023 consisted of the following:

Building and land	\$ 2,018,291
Leasehold improvements	1,253,432
Furniture and equipment	412,163
Construction in progress	163,692
	<u>3,847,578</u>
Accumulated depreciation	(1,455,866)
	<u><u>\$ 2,391,712</u></u>

Depreciation expense for the year ended June 30, 2023 was \$109,284.

Note H - Long-Term Debt

Long-term debt consisted of the following as of June 30, 2023:

Note payable to the Small Business Administration, monthly interest and principal payments of \$12,065, with interest at 1% until April 2025.	\$ 255,263
Less: current portion	<u>(142,804)</u>
Long-term portion of debt	<u><u>\$ 112,459</u></u>

Future principal payments for outstanding long-term debt were as follows:

<u>Year Ending June 30,</u>	
2024	\$ 142,804
2025	<u>112,459</u>
Total	<u><u>\$ 255,263</u></u>

Interest expense for the year ended June 30, 2023 was \$5,495.

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note I - Net Assets

Net assets consisted of the following as of June 30, 2023:

Without donor restrictions:

Undesignated	\$ 4,909,424
Board designated - Chaipel memorial	11,115
	<u>\$ 4,920,539</u>

The Board of Directors has set aside funds collected in the amount of \$11,115 as a memorial fund in memory of Cliff Chaipel, a past Board member.

With donor restrictions:	<u>\$ -</u>
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Note J - Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Net assets released from donor restrictions during the year ended June 30, 2023 were:

Expenditure for specific purpose accomplished:

Grants	\$ 2,334,697
Total released from restrictions:	<u>\$ 2,334,697</u>

Note K - Benefit Plan

The Organization maintains a Profit Sharing Plan and Safe Harbor 401(k) Plan.

Employees who have completed at least 1,000 hours of service per year, have attained the age of 18, and who are employed for at least two consecutive years are eligible to receive a profit sharing contribution. For the year ended June 30, 2023 the Organization's contribution was six percent (6%) of eligible compensation to the plan.

Employees who have completed at least 1,000 hours of service per year, have attained the age of 18, and who are employed for at least one year are eligible to participate in the 401(k) Plan. Employees are eligible to enter the plan, on the plan entry dates of January 1 or July 1, depending on when they have attained their one year of service. Under the 401(k) Plan, the Organization contributes a matching contribution equal to 100% of the employees' deferrals which do not exceed four percent (4%) of the employees' compensation.

The total contribution for the 401(k) Plan for the year ended June 30, 2023 was \$101,168.

Note L - Economic Dependence

A substantial part of the Organization's operations is dependent upon the receipt of support from grantor agencies. Loss of these funds and/or large decreases in this type of funding would have a material effect on the Organization and a negative impact on overall operations. For the year ended June 30, 2023, 80% of total support and revenue is attributable to funds received from federal, state, and local grantor agencies.

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note M - Matching Grant Requirements

The Organization receives financial assistance under several grants and contracts requiring local match/participation in the form of cash and in-kind. A maximum match/participation amount is established at the time the financial assistance is awarded. However, revenue is earned based on reimbursements and a fee-for-service basis, and can only be recognized to the extent of applicable eligible and allowable disbursement. The match/participation requirement is therefore based on a contracted portion of allowable disbursements.

For the year ended June 30, 2023, the Organization has met its match/participation requirements.

Note N - Contingencies

Grants and contracts

Grants and contract monies received and disbursed by the Organization are for specific purposes and are subject to audit by the respective grantor/contractor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures. As of June 30, 2023, the Organization had not been informed of any such potential reimbursements. Based upon prior experience, management of the Organization does not believe such disallowances, if any, would have a material effect on the financial position of the Organization.

Note O - United Way Contracts

The Organization recorded revenue for United Way contracts awarded for the the year ended June 30, 2023 as follows:

United Way of Lee County	<u><u>\$ 362,100</u></u>
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Note P - Fundraising

Gross receipts from special events recorded by the Organization consists of exchange transaction revenue and contribution revenue. As a result of adopting FASB ASU 2014-09 during 2020, the Organization is required to separately present the components of this revenue.

Gross fundraising revenue for the year ended June 30, 2023 consisted of:

Contributions	\$ 657,416
Direct donor benefit	-
Fundraising - gross	<u><u>\$ 657,416</u></u>

Note Q - Agency Designated Endowment

The Southwest Florida Community Foundation ("Southwest") maintains an agency designated fund in the name of the Organization. The agency designated fund is the sole property of Southwest, which has ultimate control and authority over all of the property in the agency designated fund. During the year ended June 30, 2023 additions, accumulated interest, market fluctuations, and fees have resulted in net changes totaling \$69. For the year ended June 30, 2023, the balance of the agency designated fund was \$2,526. Under generally accepted accounting principles, the

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note Q - Agency Designated Endowment (continued)

agency designated fund is not recorded on the statement of financial position of the Organization.

Note R - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follow:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- *Quoted prices for similar assets or liabilities in active markets.
- *Quoted prices for identical or similar assets or liabilities in inactive markets.
- *Inputs other than quoted prices that are observable for the assets or liability.
- *Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets for the Organization measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Beneficial interest in assets held by others - The fair value of the beneficial interest in assets held by others was not readily determinable through an outside source independent of the Organization. The Fair value is based on amounts reported to the Organization by the Community Foundation

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023. The Organization had no financial liabilities as of June 30, 2023.

	Assets at Fair Value as of June 30, 2023			
	(Level 1)	(Level 2)	(Level 3)	Total
Exchange traded funds	\$ 525,642	\$ -	\$ -	\$ 525,642
Beneficial interest in assets held by others	-	-	13,094	13,094
	\$ 525,642	\$ -	\$ 13,094	\$ 538,736

Children's Advocacy Center of SW Florida, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note R - Fair Value Measurements (continued)

The following table sets forth a summary of changes in fair value of the Organization's Level 3 investments for the year ended June 30, 2023.

Balance, beginning of year	\$ 12,078
Unrealized gain	1,016
Balance, end of year	<u><u>\$ 13,094</u></u>

Note S - Prior Period Adjustment

The Organization made a prior period adjustment to correct for an error in overstating grants receivable at June 30, 2022. The effects of the prior period adjustment was a decrease of \$43,667 to grants receivable and a decrease to net assets of \$43,667.

Note T - Subsequent Events

Management has assessed subsequent events through March 15, 2024, the date on which the financial statements were available to be issued.

Supplemental Information

Children's Advocacy Center of SW Florida, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

Federal Awards	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services</u>					
Passed through:					
State of Florida Department of Health Social Services Block Grant	93.667	CP18B	\$ 558,102	\$ 557,131 (1)	\$ 557,131
Passed through:					
Children's Network of Southwest Florida, LLC Promoting Safe and Stable Families	93.556	BBT03	130,000	125,505 (2)	125,505
Total U.S. Department of Health and Human Services				<u>682,636</u>	<u>682,636</u>
<u>U.S. Department of Justice</u>					
Passed through:					
Office of the Attorney General Crime Victim Assistance	16.575	VOCA-2021-Children's Advocacy Center-00691	548,743	140,156	140,156
Office of the Attorney General Crime Victims Assistance	16.575	VOCA-2022-Children's Advocacy Center-00481	548,743	320,865 (3)	320,865
Total U.S. Department of Justice				<u>461,021</u>	<u>461,021</u>
Total Federal Awards				<u>\$ 1,143,657</u>	<u>\$ 1,143,657</u>

(1) Includes receivables of \$119,800

(2) Includes receivables of \$27,759

(3) Includes receivables of \$129,592

Children's Advocacy Center of SW Florida, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended June 30, 2023

State Financial Assistance	State CFSA Number	Pass-Through Grantor's Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
<u>Florida Department of Health</u>					
Medical Services for Abused and Neglected Children	64.006	CP18B	\$ 879,410	\$ 877,881	\$ 877,881
Medical Services for Abused and Neglected Children	64.006	CP1FM	\$ 41,000	\$ 40,750 (4)	\$ 40,750
Total Florida Department of Health				<u>918,631</u>	<u>918,631</u>
<u>Florida State Court System</u>					
Passed through:					
Florida Network of Children's Advocacy Centers, Inc.					
Florida Network of Children's Advocacy Centers	41.031	N/A	260,284	259,156 (5)	259,156
<u>Florida Department of Children and Families</u>					
Passed through:					
Florida Network of Children's Advocacy Centers, Inc.					
Florida Network of Children's Advocacy Centers	60.124	22-23-DCF-CAC24,	8,778	8,778	8,778
<u>Florida Department of Highway Safety and Motor Vehicles</u>					
Florida Network of Children's Advocacy Centers, Inc.					
License Plate Project	76.067	22-23-LPVC-CAC24	3,645	3,645	3,645
Florida Network of Children's Advocacy Centers Voluntary Contribution	76.123	22-23-LPVC-CAC24	830	830	830
Total Florida Department of Highway Safety and Motor Vehicles				<u>4,475</u>	<u>4,475</u>
Total State Financial Assistance				<u>\$ 1,191,040</u>	<u>\$ 1,191,040</u>
Total Federal Awards and State Financial Assistance				<u><u>\$ 2,334,697</u></u>	<u><u>\$ 2,334,697</u></u>

(4) Includes receivables of \$6,840

(5) Includes receivables of \$21,190

Children's Advocacy Center of SW Florida, Inc.
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and State grant activity of Children's Advocacy Center of SW Florida, Inc. (the "Organization") and is presented in accordance with accounting principles generally accepted in the United States of America. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the Florida Single Audit Act (Florida Statute 215.97).

Note B - Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards and State Financial Assistance is prepared on the accrual basis of accounting.

For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the Schedule of Expenditures of Federal Awards and State Financial Assistance follow the cost principles contained in the Uniform Guidance. For existing awards prior to December 26, 2014, the expenditures follow the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*. The cost principles indicate that certain types of expenditures are not allowed or reimbursements of allowable costs are limited as to reimbursement.

Note C - Indirect Costs

The Organization records all expenditures of federal awards and state financial assistance using the direct cost method. In this manner, the Organization has elected not to use the 10% de minimis indirect cost rate, which is allowed in accordance with the Uniform Guidance.



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Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Children's Advocacy Center of SW Florida, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Children's Advocacy Center of SW Florida, Inc. (the "Organization", a non-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, 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 March 15, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

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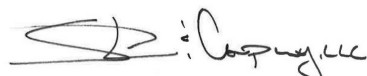
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As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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.



Stroemer & Company, LLC

Fort Myers, Florida

March 15, 2024



INTEGRITY.....KNOWLEDGE.....SERVICE.....COMMITMENT®

Independent Auditor's Report on Compliance for Each Major Program 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

To the Board of Directors
Children's Advocacy Center of SW Florida, Inc.

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Children's Advocacy Center of SW Florida, Inc.', (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 the Organization's major federal programs and state projects for the year ended June 30, 2023. 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.

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 June 30, 2023

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements related to the above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provision of contracts or grant agreements applicable to The Organization's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

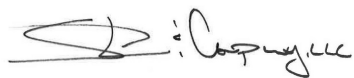
Report on Internal Control Over Compliance

Management of Children's Advocacy Center of SW Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered 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 programs and state projects and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 the 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.



Stroemer & Company, LLC
Fort Myers, Florida
March 15, 2024

Children's Advocacy Center of SW Florida, Inc.
Schedule of Findings and Questioned Costs - Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Identification of major programs (Type A):

CFDA Number(s)	Name of Federal Program or Cluster
93.667	Social Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs?	Threshold used was \$750,000
Auditee qualified as low-risk auditee?	Yes

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Rules of Auditor General 10.654(1)(g)?	No

Identification of major programs (Type A):

CFDA Number(s)	Name of Federal Program or Cluster
64.006	Medical Services for Abused and Neglected Children

Dollar Threshold used to distinguish between Type A and Type B programs? Threshold used was \$357,312

Section II - Financial Statement Findings

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

Section III - 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 federal awards required to be reported by Rules of the Auditor General 10.654(1)(g).

Section IV - 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



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Independent Auditor's Report to Management

To the Board of Directors
Children's Advocacy Center of SW Florida, Inc.

We have audited the financial statements of Children's Advocacy Center of SW Florida, Inc. (the "Organization", as of and for the fiscal year ended, June 30, 2023, and have issued our report thereon dated March 15, 2024.

We conducted our audit 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); the Florida Single Audit Act (Florida Statute 215.97). We have issued our 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*, and our Independent Auditor's Report on Compliance for Each Major Program 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, and Schedule of Findings and Questioned Costs Federal Awards and State Financial Assistance, and the disclosures in those reports and schedule, which are dated March 15, 2024, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650 of the Rules of the Auditor General of the State of Florida, which requires disclosure in the management letter of violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements or state project amounts that is less than material but more than inconsequential. In addition, for matters that have an inconsequential effect on the financial statements or state project amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, the following matters are required to be disclosed:

Prior year comments that continue to apply:

None

Affiliations

Florida Institute of Certified Public Accountants
American Institute of Certified Public Accountants

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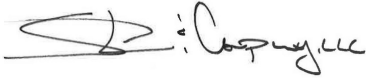
Fort Myers ♦ Jacksonville* ♦ Miami ♦ Naples* ♦ Orlando* ♦ Tampa* ♦ West Palm Beach*

*By Appointment Only

Current year comments that continue to apply:

None

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this is intended solely for the information and use of the Board of Directors, management, federal and state awarding agencies, and pass-through entities, the Auditor General of the State of Florida, and federal and state audit agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Stroemer & Company, LLC". The signature is stylized and written in a cursive-like font.

Stroemer & Company, LLC

Fort Myers, Florida

March 15, 2024