THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.

FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

SHINN & CO
CPAS AND BUSINESS CONSULTANTS

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
FINANCIAL STATEMENTS
June 30, 2017 and 2016

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3 – 4
STATEMENTS OF ACTIVITIES	5 – 6
STATEMENTS OF FUNCTIONAL EXPENSES	7 – 8
STATEMENTS OF CASH FLOWS	9 – 10
NOTES TO FINANCIAL STATEMENTS	11 – 16
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, STATE MATCHING AND FINANCIAL ASSISTANCE	17 – 18

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Florida Center for Early Childhood, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Florida Center for Early Childhood, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Florida Center for Early Childhood, Inc. as of June 30, 2017 and 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, state matching and financial assistance on pages 17-18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related 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.

Shinn + Company, LLC

SHINN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

November 9, 2017
Bradenton, Florida

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 643,585	$ 9,971	$ -	$ 653,556
Investments	693,987	-	-	693,987
Receivables:				
Contracts/grants	325,546	-	-	325,546
Medicaid/private insurance and client fees, net	97,922	-	-	97,922
Prepaid expenses	37,699	-	-	37,699
Total current assets	1,798,739	9,971	-	1,808,710
Property and equipment, net	153,150	-	-	153,150
Other assets				
Security deposit	3,186	-	-	3,186
Deferred expense	2,250	-	-	2,250
Total other assets	5,436	-	-	5,436
Total assets	$ 1,957,325	$ 9,971	$ -	$ 1,967,296
LIABILITIES AND NET ASSETS				
Current liabilties				
Accounts payable	$ 82,557	$ -	$ -	$ 82,557
Accrued payroll and benefits	212,162	-	-	212,162
Deferred revenue	79,216	9,971	-	89,187
Line of credit	200,000	-	-	200,000
Total current liabilties	573,935	9,971	-	583,906
Net assets				
Unrestricted	1,383,390	-	-	1,383,390
Temporarily restricted	-	-	-	-
Permanently restricted	-	-	-	-
Total net assets	1,383,390	-	-	1,383,390
Total liabilities and net assets	$ 1,957,325	$ 9,971	$ -	$ 1,967,296

The accompanying notes are an integral part of these financial statements.

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 407,137	$ -	$ -	$ 407,137
Investments	620,251	-	-	620,251
Receivables:				
Contracts/grants	492,856	-	-	492,856
Medicaid/private insurance and client fees, net	91,454	-	-	91,454
Prepaid expenses	29,575	-	-	29,575
Total current assets	1,641,273	-	-	1,641,273
Property and equipment, net	176,210	-	-	176,210
Other assets				
Security deposit	3,186	-	-	3,186
Deferred expense	4,248	-	-	4,248
Total other assets	7,434	-	-	7,434
Total assets	$ 1,824,917	$ -	$ -	$ 1,824,917
LIABILITIES AND NET ASSETS				
Current liabilties				
Accounts payable	$ 68,911	$ -	$ -	$ 68,911
Accrued payroll and benefits	199,153	-	-	199,153
Deferred revenue	17,519	-	-	17,519
Line of credit	200,000	-	-	200,000
Total current liabilties	485,583	-	-	485,583
Net assets				
Unrestricted	1,339,334	-	-	1,339,334
Temporarily restricted	-	-	-	-
Permanently restricted	-	-	-	-
Total net assets	1,339,334	-	-	1,339,334
Total liabilities and net assets	$ 1,824,917	$ -	$ -	$ 1,824,917

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and support				
Governmental contracts/grants				
Federal and State	$ 2,303,500	$ -	$ -	$ 2,303,500
County and other	839,361	-	-	839,361
Private grants	403,111	-	-	403,111
Medicaid/private insurance/ client fees, net	796,510	-	-	796,510
In-kind donations	646,914	-	-	646,914
United Way	240,518	-	-	240,518
Contributions	85,067	-	-	85,067
Training Institute	8,729	-	-	8,729
Rental	98,810	-	-	98,810
Interest	2,811	-	-	2,811
Special events, income	92,485	-	-	92,485
Special events, expenses	(40,826)	-	-	(40,826)
Investment Income	73,736	-	-	73,736
Total revenues, gains and support	5,550,726	-	-	5,550,726
Expenses:				
Program services:				
Healthy Families	2,405,917	-	-	2,405,917
Starfish Academy	844,783	-	-	844,783
Early Intervention Services	1,431,247	-	-	1,431,247
Fetal Alcohol Diagnosis Clinic	320,433	-	-	320,433
Supporting services:				
Management and General	337,821	-	-	337,821
Development and Fundraising	166,469	-	-	166,469
Total expenses	5,506,670	-	-	5,506,670
Changes in net assets	44,056	-	-	44,056
Net assets, beginning of year	1,339,334	-	-	1,339,334
Net assets, end of year	$ 1,383,390	$ -	$ -	$ 1,383,390

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and support				
Governmental contracts/grants				
Federal and State	$ 2,208,500	$ -	$ -	$ 2,208,500
County and other	812,487	-	-	812,487
Private grants	380,932	-	-	380,932
Medicaid/private insurance/ client fees, net	735,594	-	-	735,594
In-kind donations	656,670	-	-	656,670
United Way	264,289	-	-	264,289
Contributions	54,119	-	-	54,119
Training Institute	26,067	-	-	26,067
Rental	99,737	-	-	99,737
Interest	816	-	-	816
Special events, income	101,210	-	-	101,210
Special events, expenses	(39,385)	-	-	(39,385)
Investment Income	13,587	-	-	13,587
Total revenues, gains and support	5,314,623	-	-	5,314,623
Expenses:				
Program services:				
Healthy Families	2,297,531	-	-	2,297,531
Starfish Academy	848,368	-	-	848,368
Early Intervention Services	1,457,876	-	-	1,457,876
Fetal Alcohol Diagnosis Clinic	308,650	-	-	308,650
Supporting services:				
Management and General	332,574	-	-	332,574
Development and Fundraising	198,128	-	-	198,128
Total expenses	5,443,127	-	-	5,443,127
Changes in net assets	(128,504)	-	-	(128,504)
Net assets, beginning of year	1,467,838	-	-	1,467,838
Net assets, end of year	$ 1,339,334	$ -	$ -	$ 1,339,334

The accompanying notes are an integral part of these financial statements.

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2017

	Program Services					Supporting Services			
	Healthy Families	Starfish Academy	Early Intervention Services	Fetal Alcohol Diagnosis Clinic	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 1,348,041	$ 456,461	$ 834,128	$ 197,727	$ 2,836,357	$ 355,065	$ 111,165	$ 466,230	$ 3,302,587
Fringe benefits	160,404	55,736	85,875	15,299	317,314	31,041	8,369	39,410	356,724
Payroll taxes and fees	117,566	40,899	71,292	19,516	249,273	24,286	9,439	33,725	282,998
Total compensation and benefits	1,626,011	553,096	991,295	232,542	3,402,944	410,392	128,973	539,365	3,942,309
Equipment rental & maint	12,018	4,120	6,592	1,260	23,990	5,296	1,371	6,667	30,657
Insurance	26,086	12,239	14,348	6,522	59,195	5,238	1,304	6,542	65,737
Supplies	67,820	11,609	12,261	8,392	100,082	4,681	424	5,105	105,187
Facility	87,578	46,435	45,541	5,457	185,011	31,895	506	32,401	217,412
Professional services	8,113	4,200	9,545	13,090	34,948	39,042	3,009	42,051	76,999
Bank charges and fees	-	-	-	-	-	18,657	219	18,876	18,876
Bad debt	-	-	48,260	-	48,260	-	-	-	48,260
Telephone	32,983	6,943	14,509	1,307	55,742	5,921	1,089	7,010	62,752
Postage and shipping	378	538	1,066	182	2,664	2,208	742	2,950	5,614
Travel	117,993	327	10,608	1,125	130,053	14,162	191	14,353	144,406
Training and education	3,100	750	2,590	1,520	7,960	1,880	1,258	3,138	11,098
Client assistance	26,710	-	-	-	26,710	-	-	-	26,710
Dues, licenses and fees	11,153	6,689	32,726	2,315	52,883	5,491	4,175	9,666	62,549
Marketing and public relations	-	-	228	-	228	150	1,596	1,746	1,974
Rent	126,972	126,600	129,720	22,320	405,612	184,560	3,600	188,160	593,772
In-kind donations	7,500	-	18,750	-	26,250	8,880	18,012	26,892	53,142
Depreciation	-	-	-	-	-	39,216	-	39,216	39,216
Total other expenses	528,904	220,450	346,744	63,490	1,159,588	367,277	37,496	404,773	1,564,361
Administration allocation	251,002	71,237	93,208	24,401	439,848	(439,848)	-	(439,848)	-
Total expenses	$ 2,405,917	$ 844,783	$ 1,431,247	$ 320,433	$ 5,002,380	$ 337,821	$ 166,469	$ 504,290	$ 5,506,670

The accompanying notes are an integral part of these financial statements.

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THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2016

	Program Services					Supporting Services			
	Healthy Families	Starfish Academy	Early Intervention Services	Fetal Alcohol Diagnosis Clinic	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 1,298,342	$ 474,261	$ 893,864	$ 192,950	$ 2,859,417	$ 358,468	$ 119,100	$ 477,568	$ 3,336,985
Fringe benefits	156,048	43,740	82,099	18,961	300,848	16,134	9,689	25,823	326,671
Payroll taxes and fees	123,534	46,220	83,610	18,386	271,750	18,400	10,446	28,846	300,596
Total compensation and benefits	1,577,924	564,221	1,059,573	230,297	3,432,015	393,002	139,235	532,237	3,964,252
Equipment rental & maint	15,965	11,664	36,065	3,474	67,168	4,443	917	5,360	72,528
Insurance	29,101	13,596	16,006	7,275	65,978	5,820	1,455	7,275	73,253
Supplies	48,531	7,875	8,708	2,062	67,176	4,069	763	4,832	72,008
Facility	34,315	40,150	43,336	5,210	123,011	33,164	483	33,647	156,658
Professional services	9,642	3,400	13,220	10,020	36,282	19,530	27,383	46,913	83,195
Bank charges and fees	-	-	-	-	-	16,734	141	16,875	16,875
Telephone	35,623	6,264	14,636	1,801	58,324	4,757	1,187	5,944	64,268
Postage and shipping	931	663	1,296	183	3,073	2,298	409	2,707	5,780
Travel	97,795	1,445	11,748	1,060	112,048	9,805	437	10,242	122,290
Training and education	5,505	790	10,228	280	16,803	1,451	474	1,925	18,728
Client assistance	20,726	-	142	-	20,868	56	-	56	20,924
Dues, licenses and fees	9,986	723	560	268	11,537	15,991	3,615	19,606	31,143
Marketing and public relations	-	420	-	-	420	1,560	3,233	4,793	5,213
Rent	41,953	-	-	-	41,953	-	-	-	41,953
In-kind donations	148,372	129,800	141,322	22,320	441,814	196,460	18,396	214,856	656,670
Depreciation	-	-	-	-	-	37,389	-	37,389	37,389
Total other expenses	498,445	216,790	297,267	53,953	1,066,455	353,527	58,893	412,420	1,478,875
Administration allocation	221,162	67,357	101,036	24,400	413,955	(413,955)	-	(413,955)	-
Total expenses	$ 2,297,531	$ 848,368	$ 1,457,876	$ 308,650	$ 4,912,425	$ 332,574	$ 198,128	$ 530,702	$ 5,443,127

The accompanying notes are an integral part of these financial statements.

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THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash flows from operating activities:				
Change in net assets	$ 44,056	$ -	$ -	$ 44,056
Adjustment to reconcile change in net assets to net cash flows from operating activities:				
Depreciation	39,216	-	-	39,216
Unrealized gain in investment	(73,736)	-	-	(73,736)
(Increase) decrease in:				
Contracts/grants receivable	167,310	-	-	167,310
Medicaid, etc. receivable	(6,468)	-	-	(6,468)
Prepaid expense	(8,124)	-	-	(8,124)
Security deposit	-	-	-	-
Deferred expense	1,998	-	-	1,998
Increase (decrease) in:				
Accounts payable	13,646	-	-	13,646
Accrued payroll and benefits	13,009	-	-	13,009
Deferred revenue	61,697	9,971	-	71,668
Total adjustments	208,548	9,971	-	218,519
Net cash flows from operating activities	252,604	9,971	-	262,575
Cash flows from investing activities:				
Purchase of property and equipment	(16,156)	-	-	(16,156)
Net cash flows from investing activities	(16,156)	-	-	(16,156)
Increase in cash and cash equivalents	236,448	9,971	-	246,419
Cash and cash equvalents - beginning of year	407,137	-	-	407,137
Cash and cash equivalents - end of year	$ 643,585	$ 9,971	$ -	$ 653,556
Supplemental disclosure:				
Cash paid for interest	$ 9,608	$ -	$ -	$ 9,608

The accompanying notes are an integral part of these financial statements.

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash flows from operating activities:				
Change in net assets	$ (128,504)	$ -	$ -	$ (128,504)
Adjustment to reconcile change in net assets to net cash flows from operating activities:				
Depreciation	37,389	-	-	37,389
Unrealized gain in investment	(13,587)	-	-	(13,587)
(Increase) decrease in:				
Contracts/grants receivable	(220,994)	-	-	(220,994)
Medicaid, etc. receivable	(58,511)	-	-	(58,511)
Prepaid expense	4,063	-	-	4,063
Security deposit	(58)	-	-	(58)
Deferred expense	25	-	-	25
Increase (decrease) in:				
Accounts payable	32,409	-	-	32,409
Accrued payroll and benefits	17,331	-	-	17,331
Deferred revenue	(71,671)	-	-	(71,671)
Total adjustments	(273,604)	-	-	(273,604)
Net cash flows from operating activities	(402,108)	-	-	(402,108)
Cash flows from investing activities:				
Purchase of property and equipment	(11,493)	-	-	(11,493)
Net cash flows from investing activities	(11,493)	-	-	(11,493)
Cash flows from financing activities:				
Increases in line of credit, net	100,000	-	-	100,000
Net cash flows from financing activities	100,000	-	-	100,000
Decrease in cash and cash equivalents	(313,601)	-	-	(313,601)
Cash and cash equvalents - beginning of year	720,738	-	-	720,738
Cash and cash equivalents - end of year	$ 407,137	$ -	$ -	$ 407,137
Supplemental disclosure:				
Cash paid for interest	$ 6,677	$ -	$ -	$ 6,677

The accompanying notes are an integral part of these financial statements.

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and June 30, 2016

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Florida Center for Early Childhood, Inc. ("the Center") is a not-for-profit corporation located in Sarasota, Florida. It was incorporated on June 22, 1979 for the purpose of providing mental health and developmental therapy to at-risk infants and children from the age of zero to five. The Center also provides professional evaluation, therapy, counseling, education, diagnostic, advocacy, and consultation services for children, adolescents and adults.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting and reporting practices promulgated by the American Institute of Certified Public Accountants for not-for-profit organizations. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. 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.

Temporarily restricted net assets – Net assets that are available for use, but expendable only for those purposes specified by the grantor.

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

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 as the gift or investment income is received, the amount is reported as unrestricted revenues.

Income Tax Status

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.

Management has evaluated the effect of accounting standards relating to accounting for uncertainty in income taxes. Management has determined that the Center had no uncertain income tax positions that could have a significant effect on the financial statements for the years ended June 30, 2017.

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Donated Services

The Center recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair market value at the date of the donation. The Center capitalizes purchases over $1,000 and depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are as follows:

Furniture, fixtures, and equipment	3 - 15 years
Computers and software	3 years
Vehicles	3 years
Leasehold improvements	25 years

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support 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 property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time.

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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.

Expense Allocation

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

NOTE B – MEDICAID/PRIVATE INSURANCE/CLIENT FEES RECEIVABLE

Medicaid, private insurance, and client fees receivable at June 30, 2017 and 2016 was $97,922 with no allowance for doubtful accounts, and $91,454 with no allowance for doubtful accounts.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2017	2016
Furniture, fixtures, and equipment	$ 1,022,537	$ 1,020,711
Computers and software	216,676	203,196
Vehicles	18,000	18,000
Leasehold improvements	226,912	226,062
Total property and equipment	1,484,125	1,467,969
Less: accumulated depreciation	(1,330,975)	(1,291,759)
Net property and equipment	$ 153,150	$ 176,210

NOTE D – UNINSURED CASH BALANCES

The Center maintains its cash balances at financial institutions located in Sarasota, Florida. Accounts at each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per customer. There was $419,300 and $166,210 in excess of FDIC insurance as of June 30, 2017, and June 30, 2016, respectively.

NOTE E – IN-KIND DONATIONS

The Center has annually renewable leases of $1 per year for its north Sarasota and North Port locations that provide for administrative and service facilities. In addition, the Charlotte County School Board provides space in two schools and is recorded at fair market value of the leased space. The value of the leases for the years ended June 30, 2017 and 2016 are $593,772 and $612,272, respectively, and are a portion of in-kind donations that is recognized in the statement of activities.

NOTE F – RETIREMENT PLAN

The Center provides a contributory tax-deferred annuity plan for its employees. After one year of employment, the Center will match up to 5% of the employee's contributions to their retirement plans. Retirement expense was $82,936 and $65,258 for the years ended June 30, 2017 and 2016, respectively.

NOTE G – INSURANCE CONTINGENCY

The Center's current windstorm insurance policy contains a 5% deductible clause for named hurricanes and other wind damage. Based on the $5,004,860 insured valuation of the five buildings, approximately $250,243 would be the responsibility of the Center for a named hurricane and other wind/hail damage.

NOTE H – LINE OF CREDIT

The Center has a revolving line of credit with a local financial institution. Terms call for interest only payable monthly with a maturity date of February 6, 2018. Interest accrues at one half percent above Prime Rate, 4.5% at June 30, 2017 and 2016, respectively. Collateral for the line of credit is a depository account with a balance of $213,948 and $213,841 at June 30, 2017 and 2016, respectively. As of June 30, 2017 and 2016, there was $200,000 and $200,000 drawn on the line of credit, respectively

NOTE I – RELATED PARTY TRANSACTIONS

There were no related party transactions during the 2017 fiscal year. During the year ended June 30, 2016, a company owned by a board member, provided janitorial services to the Organization totaling $60,939.

NOTE J – INVESTMENTS

The components of investments at June 30, 2017 and 2016 are summarized as follows:

June 30, 2017	Cost	Fair Value	Accumulated Unrealized Gain (Loss)
Money market account	$ 98,209	$ 98,209	$ -
Corporate bonds-fixed	158,738	158,450	(288)
Common stock	236,518	437,328	200,810
Total	$ 493,465	$ 693,987	$ 200,522

June 30, 2016	Cost	Fair Value	Accumulated Unrealized Gain (Loss)
Money market account	$ 111,907	$ 111,907	$ -
Corporate bonds-fixed	138,969	139,133	164
Common stock	236,518	369,211	132,693
Total	$ 487,394	$ 620,251	$ 132,857

NOTE K – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Center adopted the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about the Center's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2017 and 2016, and indicate the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets of liabilities, such as publicly traded equity securities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

NOTE K – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES – CONTINUED

Level 3 – inputs are unobservable data points for the asset or liability, and include situations where there is little, if any market activity for the asset or liability (for example, hedge funds, private equity and other). The inputs reflect the Center's assumptions based on the best information available in the circumstance.

Financial assets at fair value on a recurring basis at June 30, 2017 and 2016:

Description	June 30, 2017	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	$ 437,328	$ 437,328	$ -	$ -
Corporate bonds - fixed	158,450	158,450	-	-
Money market funds	98,209	98,209	-	-
Total financial assets at fair value	$ 693,987	$ 693,987	$ -	$ -

Description	June 30, 2016	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	$ 369,211	$ 364,384	$ -	$ -
Corporate bonds - fixed	139,133	164,603	-	-
Money market funds	111,907	77,677	-	-
Total financial assets at fair value	$ 620,251	$ 606,664	$ -	$ -

NOTE L – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 9, 2017, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE MATCHING AND FINANCIAL ASSISTANCE
For The Year Ended June 30, 2017

Grantor Pass-through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
U.S. Department of Health and Human Services:			
Pass-through from State of Florida, Department of Children and Families:			
Healthy Families Florida, Ounce of Prevention Fund of Florida	#15-20-06	93.556	$ 105,543
Healthy Families Florida, Ounce of Prevention Fund of Florida	#15-20-06	93.659	4,185
Healthy Families Florida, Ounce of Prevention Fund of Florida	#15-20-06	93.558	551,753
Healthy Families Florida, Ounce of Prevention Fund of Florida	#15-20-06	93.667	937
Total Expenditures of Federal Awards			$ 662,418

	Pass-through Entity Identifying Number	State CSFA Number	Expenditures
STATE MATCHING AND FINANCIAL ASSISTANCE			
State Match Passed through Department of Children and Families:			
Healthy Families Florida, Ounce of Prevention Fund of Florida	#15-20-06	93.556	$ 35,181
Healthy Families Florida, Ounce of Prevention Fund of Florida	#15-20-06	93.658	1,504
Healthy Families Florida, Ounce of Prevention Fund of Florida	#15-20-06	93.558	1,320,456
Healthy Families Florida, Ounce of Prevention Fund of Florida	#15-20-06	93.659	3,941
Total State Match Awards			$ 1,361,082
Pass-through State of Florida, Department of Health:			
Childrens Medical Services -			
Fetal Alcohol Spectrum Disorder Program	COQVR	64.066	$ 280,000
Total Expenditures of State Financial Assistance			$ 280,000

The accompanying notes are an integral part of this schedule.

THE FLORIDA CENTER FOR EARLY CHILDHOOD, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE MATCHING AND FINANCIAL ASSISTANCE
For The Year Ended June 30, 2017

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards, state matching and financial assistance (the Schedule) includes the federal and state award and matching activity of the Organization under programs of the federal and state government for the year ended June 30, 2017.

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 Rules of the Auditor General 10.650. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B - INDIRECT COST RATE

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.