

**COMMUNITY ACCESS TO CHILD HEALTH
OF BREVARD, INC.**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the years ended June 30, 2020 and 2019

and

INDEPENDENT AUDITOR'S REPORT

**COMMUNITY ACCESS TO CHILD HEALTH
OF BREVARD, INC.**

OFFICERS AND DIRECTORS

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Mary Ulrich, M.D.	Vice President/Treasurer Medical Director - Space Coast Early Steps
Elizabeth Burns	Secretary

PROJECT ADMINISTRATOR/BUSINESS MANAGER

Lisa Gemmill

PROGRAM MANAGER - SPACE COAST EARLY STEPS

Althea Puzio

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Todd M. Russell
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Directors Emeritus/Directors

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INDEPENDENT AUDITOR'S COMBINED REPORT ON THE BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

To the Board of Directors
Community Access to Child Health of Brevard, Inc.
Viera, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Community Access to Child Health of Brevard, Inc. (CATCH of Brevard, Inc.), (a non-profit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CATCH of Brevard, Inc. as of June 30, 2020 and 2019, 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.

Other Matters

Other Information

Our audits were 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* and the Rules of the Florida Department of Financial Services, are 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 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 Reportings Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 2, 2020, on our consideration of CATCH of Brevard, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 effectiveness of CATCH of Brevard, Inc.'s 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 CATCH of Brevard, Inc.'s internal control over financial reporting and compliance.

Davies, Houser & Secret, CPA, P.A.
Cocoa, Florida
November 2, 2020

FINANCIAL STATEMENTS

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 607,842	\$ 674,690
Accounts receivable	22,127	0
Department of Health contracts receivable	623,238	564,438
Prepaid expenses	35,861	4,626
Total current assets	1,289,068	1,243,754
Furniture and equipment at cost, net of accumulated depreciation of \$127,955 in 2020, and \$121,623 in 2019	22,123	28,455
Other assets:		
Security deposits	6,000	0
Total assets	\$ <u>1,317,191</u>	\$ <u>1,272,209</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 79,518	\$ 104,480
Accrued payroll and annual leave	110,020	103,551
Due to Department of Health	94,137	0
Total current liabilities	283,675	208,031
Net assets without donor restrictions	1,033,516	1,064,178
Total liabilities and net assets	\$ <u>1,317,191</u>	\$ <u>1,272,209</u>

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

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

STATEMENTS OF ACTIVITIES
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Changes in net assets without donor restrictions:		
Revenues:		
Space Coast Early Steps:		
Department of Health contract	\$ 2,481,696	\$ 2,577,990
Medicaid and third-party patient services	296,064	421,003
Medicaid-targeted case management	166,646	202,807
Other income	<u>5,117</u>	<u>8,051</u>
Total revenues	<u>2,949,523</u>	<u>3,209,851</u>
Program expenses	2,609,656	2,878,132
General and administrative expenses	<u>370,529</u>	<u>369,067</u>
Total expenses	<u>2,980,185</u>	<u>3,247,199</u>
Change in net assets without donor restrictions	(30,662)	(37,348)
Net assets without donor restrictions, at beginning of year	<u>1,064,178</u>	<u>1,101,526</u>
Net assets without donor restrictions, at end of year	<u>\$ 1,033,516</u>	<u>\$ 1,064,178</u>

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

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended June 30, 2020 and 2019

	2020		
	<u>SCES Program</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 1,147,105	\$ 234,949	\$ 1,382,054
Fringe benefits	330,805	67,755	398,560
	<u>1,477,910</u>	<u>302,704</u>	<u>1,780,614</u>
Office expenses:			
Supplies and telephone	31,068	5,747	36,815
Insurance	24,257	4,968	29,225
Printing	6,100	1,249	7,349
Postage	4,274	875	5,149
Maintenance	2,967	608	3,575
Utilities	1,755	360	2,115
	<u>70,421</u>	<u>13,807</u>	<u>84,228</u>
Other expenses:			
External direct services	614,349	0	614,349
Internal direct services	361,519	0	361,519
Professional fees	18,019	34,817	52,836
Rent	28,961	5,932	34,893
Other costs	16,129	8,690	24,819
Staff travel	17,092	3,503	20,595
Depreciation	5,256	1,076	6,332
	<u>1,061,325</u>	<u>54,018</u>	<u>1,115,343</u>
Total operating expenses	2,609,656	370,529	2,980,185
General and administrative	<u>370,529</u>	<u>(370,529)</u>	<u>0</u>
Total expenses	<u>\$ 2,980,185</u>	<u>\$ 0</u>	<u>\$ 2,980,185</u>

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

	2019		
	<u>SCES Program</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 1,109,306	\$ 227,207	\$ 1,336,513
Fringe benefits	353,493	72,402	425,895
Total salaries and fringe benefits	<u>1,462,799</u>	<u>299,609</u>	<u>1,762,408</u>
Office expenses:			
Supplies and telephone	28,771	5,894	34,665
Insurance	26,137	5,353	31,490
Printing	6,263	1,283	7,546
Postage	2,443	500	2,943
Maintenance	3,784	775	4,559
Utilities	1,338	274	1,612
Total office expenses	<u>68,736</u>	<u>14,079</u>	<u>82,815</u>
Other expenses:			
External direct services	756,784	0	756,784
Internal direct services	500,304	0	500,304
Professional fees	0	33,470	33,470
Rent	42,120	8,627	50,747
Other costs	8,032	6,358	14,390
Staff travel	27,772	4,551	32,323
Depreciation	11,585	2,373	13,958
Total other expenses	<u>1,346,597</u>	<u>55,379</u>	<u>1,401,976</u>
Total operating expenses	2,878,132	369,067	3,247,199
General and administrative	<u>369,067</u>	<u>(369,067)</u>	<u>0</u>
Total expenses	<u>\$ 3,247,199</u>	<u>\$ 0</u>	<u>\$ 3,247,199</u>

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

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (30,662)	\$ (37,348)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,332	13,958
(Increase) decrease in operating assets:		
Change in accounts receivable	(22,127)	0
Change in Department of Health contract receivable	(58,800)	100,083
Change in prepaid expenses	(31,235)	0
Change in security deposits	(6,000)	0
Increase (decrease) in operating liabilities:		
Change in accounts payable	(24,962)	(11,228)
Change in accrued payroll and annual leave	6,469	(1,684)
Change in amount due to Department of Health	94,137	(73,015)
Net cash used in operating activities	<u>(66,848)</u>	<u>(9,234)</u>
Cash flows from investing activities:		
Purchase of equipment	<u>0</u>	<u>(6,400)</u>
Net cash used in investing activities	<u>0</u>	<u>(6,400)</u>
Decrease in cash and cash equivalents	(66,848)	(15,634)
Cash and cash equivalents, at beginning of year	<u>674,690</u>	<u>690,324</u>
Cash and cash equivalents, at end of year	<u>\$ 607,842</u>	<u>\$ 674,690</u>

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

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

NOTES TO FINANCIAL STATEMENTS As of and for the years ended June 30, 2020 and 2019

NOTE 1 - REPORTING ENTITY

Community Access to Child Health of Brevard, Inc. (CATCH of Brevard, Inc.) was organized in February 1992, for the purpose of working with the State of Florida Department of Health (DOH) to administer a Primary Care program to the special needs' children of Brevard County, Florida. Administration of the program includes enrollment of qualified children and follow-up to ensure enrolled children are receiving medical care. DOH funding for the Primary Care contract was terminated as of September 30, 2015.

In January 1999, CATCH of Brevard, Inc. began administering Space Coast Early Steps (SCES), formerly known as Early Intervention Program, and has entered into grant agreements with federal and state agencies for SCES grants. SCES is designed for young children with special needs. CATCH of Brevard, Inc. coordinates service programs intended to enhance a family's ability to maximize their child's potential.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants (AICPA) in its Industry Guide, "Not-for-Profit Organizations."

B. Display of Net Assets by Class

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements set forth in the "Not-for-Profit Entities" topic of the Financial Accounting Standards Board (FASB) Accounting Codification. Accordingly, the net assets of CATCH of Brevard, Inc. are reported in either of the following classes: net assets without donor restrictions or net assets with donor restrictions. The nature of the classification results from the presence or absence of donor-imposed restrictions. CATCH of Brevard, Inc. has elected to report donor-restricted contributions, whose restrictions are met in the same reporting period, as net assets without donor restrictions. In addition, CATCH of Brevard, Inc. is required to present a statement of cash flows. For the years ended June 30, 2020 and 2019, CATCH of Brevard, Inc. had no net assets with donor restrictions.

C. Contributions

As set forth in the "Not-for-Profit Entities" topic of the FASB Accounting Codification, CATCH of Brevard, Inc. records contributions received as either net assets with donor restrictions or without donor restrictions depending on the existence and nature of any donor restrictions. In the absence of donor-imposed time restrictions on the use of the asset, gifts of long-lived assets are reported as net assets without donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Revenues

For the SCES program, the revenues from the DOH contract are earned as allowable expenditures as incurred and the contract includes payback penalties if certain criteria are not met. Medicaid revenue is recorded at established Medicaid rates and is reported net of an estimated uncollectible portion. No significant allowance for uncollectible accounts existed as of June 30, 2020 or 2019.

E. Furniture, Equipment, Leasehold Improvements, and Software

Furniture, equipment, leasehold improvements, and software are recorded at cost. These assets are capitalized, if they have an estimated useful life greater than one year and an acquisition cost of \$1,000 or more per unit. Depreciation is computed on the straight-line basis using estimated useful lives of three to seven years for all assets. The SCES contract requires assets purchased with departmental funds to revert to the DOH, and for CATCH of Brevard, Inc. to obtain permission from DOH before disposal of the equipment.

F. Income Taxes

CATCH of Brevard, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization. In addition, the Internal Revenue Service (IRS) has determined that CATCH of Brevard, Inc. is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for income taxes.

CATCH of Brevard, Inc. has no unrelated business income; however, such status is subject to final determination upon examination of the related tax returns by federal and state taxing authorities. CATCH of Brevard, Inc.’s annual informational returns are subject to examination by the IRS, generally three years after they are filed.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

H. Cash and Cash Equivalents

For purposes of the statements of cash flows, CATCH of Brevard, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

I. Functional Expenses

The costs of CATCH of Brevard, Inc.’s programs and supporting services have been reported on a functional basis. This required specific identification of certain costs, while other costs were allocated among programs and general and administrative activities based on staff time studies conducted by management.

NOTE 3 - LIQUIDITY MANAGEMENT

CATCH of Brevard, Inc. has \$1,289,068 of financial assets available within one year of the statement of financial position date to meet cash needs consisting of \$607,842 of cash and cash equivalents, \$22,127 of accounts receivable, \$623,238 of DOH contracts receivable and \$35,861 of prepaid items.

NOTE 4 - OPERATING LEASES

CATCH of Brevard, Inc. signed a lease for a Rockledge location, beginning July 2020 through September 2025, with an abatement of payment for the first three months. Payments commence October 2020, in the amount of \$6,000, per month, for the life of the contract.

CATCH of Brevard, Inc. signed a lease for its Melbourne location beginning December 2018, in the amount of \$963 per month, increasing approximately 3% every year through November 30, 2023. Additional common area maintenance (CAM) charges for the new facility will also be incurred in the amount of \$501 per month through November 30, 2023.

CATCH of Brevard, Inc. entered into a lease for its Titusville location in July 2016, with a cost per month of \$291 through June 30, 2019. After the contract expired it was extended on a month-to-month basis before a new lease was signed for a larger space in the same Titusville location in September 2019, with a new monthly cost of \$709 per month through September 2022.

CATCH of Brevard, Inc. had a month-to-month agreement with Children's Medical Services to share costs associated with office space located in Viera, Florida through September 2020. It was agreed that CATCH of Brevard, Inc., which occupied 42% of the building, would pay 18% of all building operation and maintenance costs. This amounted to \$3,697 and \$22,149 for the fiscal years ended June 30, 2020 and 2019, respectively.

The future minimum lease payments required under operating leases, with terms greater than one year are summarized as follows:

2021	\$ 80,631
2022	98,995
2023	92,278
2024	79,923
2025 and beyond	<u>90,000</u>
	<u>\$ 441,827</u>

Rent expense for fiscal years ended June 30, 2020 and 2019, was \$34,893 and \$50,747, respectively.

NOTE 5 - FRINGE BENEFITS AND PENSION CONTRIBUTIONS

CATCH of Brevard, Inc. contributes a percentage of its employees' salaries to a simplified employee pension (SEP) plan. The amount contributed to the SEP plan, during the years ended June 30, 2020 and 2019, was \$108,789 and \$108,562, respectively. Other benefits, included in fringe benefits expense, are employer FICA and Medicare match, workers' compensation premiums, unemployment compensation premiums, and group health insurance premiums. An allowance of 33% of salary expense is included in the DOH contracts to cover these benefit costs.

NOTE 6 - CONTINGENCIES AND COMMITMENTS

CATCH of Brevard, Inc. has a SCES contract with DOH through June 30, 2021, and funding will be similar to prior years. Provisions in the contract allow either party to terminate the contract, without cause, with 30 days advance notice.

CATCH of Brevard, Inc. also receives a significant amount of its funding from Medicaid third-party reimbursements. The United States Congress is continually reviewing eligibility criteria for Medicaid funds. The future existence of CATCH of Brevard, Inc. is dependent upon continued funding by the DOH and Medicaid.

NOTE 7 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2020 and 2019, the Board of Directors (the Board) was compensated \$4,000 and \$8,000, respectively, by CATCH of Brevard, Inc., for services rendered as medical directors as well as board members.

CATCH of Brevard, Inc. also incurred expenses of \$298,705 and \$297,514 for medical practices from organizations related to members of the Board for client services, including \$25,150 and \$21,968, payable on June 30, 2020 and 2019, respectively. These expenses were, or will be, reimbursed by CATCH of Brevard, Inc. on terms equivalent to other arm's length transactions with organizations in which medical practice services are provided.

NOTE 8 - CONCENTRATIONS OF CREDIT RISK

CATCH of Brevard, Inc. maintained a cash balance in excess of the FDIC insured limits of \$202,730 and \$270,971, as of June 30, 2020 and 2019, respectively. During the year ended June 30, 2015, CATCH of Brevard, Inc. began implementing a policy of transferring cash to various banks in an effort to maximize its FDIC insured cash balance.

CATCH of Brevard, Inc.'s principal business activity is located within Brevard County. As of June 30, 2020, and 2019, net receivables from the DOH, Medicaid, and other third-party payers totaled \$645,365 and \$564,438, respectively, and represent a significant portion of the assets of CATCH of Brevard, Inc.

NOTE 9 - SUBSEQUENT EVENTS

CATCH of Brevard, Inc. has evaluated events through November 2, 2020, the date which the financial statements were available to be issued.

In July 2020, CATCH of Brevard, Inc. relocated their main office to Rockledge, Florida. Part of the process of moving included disposing old furniture and equipment, which will be removed from the organization's books in the fiscal year ending June 30, 2021.

SUPPLEMENTARY INFORMATION

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2020

Employer Identification Number: 59-3103019

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA/ CFSA Number</u>	<u>State Contract Number</u>	<u>Program or Award Amount</u>	<u>Amounts Expended</u>
Federal awards:				
Federal awards passed through from the Florida Department of Health:				
United States Department of Education:				
Office of Special Education Programs:				
Grants for Infants and Families	84.181	COQZK	\$ 989,144	\$ <u>838,822</u>
Federal totals				<u>838,822</u>
State financial assistance:				
State of Florida Department of Health:				
Children's Medical Services:				
Children's Special Health Care:				
Developmental Evaluation	64.022	COQZK	\$ 1,642,874	<u>1,642,874</u>
State totals				<u>1,642,874</u>
Total expenditures of federal awards and state financial assistance				<u>\$ 2,481,696</u>

Reimbursable expenditures were determined in accordance with generally accepted accounting principles (accrual basis), plus capital additions, if any, less depreciation expense. There are no non-cash amounts included in reimbursable expenditures.

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2020

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards and state financial assistance presents the activity of all federal award programs and state financial assistance projects of Community Access to Child Health of Brevard, Inc. (CATCH of Brevard, Inc.). CATCH of Brevard, Inc. reporting entity is defined in Note 1 of CATCH of Brevard, Inc.'s financial statements. The accounting policies and presentation of the Single Audit Report have been designed to conform to accounting principles generally accepted in the United States of America. Conformance also includes the reporting and compliance requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Florida Single Audit Act.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Florida Single Audit Act, wherein certain types of expenditures may or may not be allowed or may be limited as to reimbursement. CATCH of Brevard, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



DAVIES, HOUSER & SECREST, CPA, P.A.

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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
Community Access to Child Health of Brevard, Inc.
Viera, Florida

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 Community Access to Child Health of Brevard, Inc. (CATCH of Brevard, Inc.), (a non-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, 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 November 2, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CATCH of Brevard, Inc.'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 of the effectiveness of CATCH of Brevard, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of CATCH of Brevard, Inc.'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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CATCH of Brevard, Inc.'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 a 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.

Davies, Houser & Secret, CPA, P.A.
Cocoa, Florida
November 2, 2020



DAVIES, HOUSER & SECREST, CPA, P.A.

Shareholders

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Donna L. Young
Tammy J. Jenkins

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL

To the Board of Directors
Community Access to Child Health of Brevard, Inc.
Viera, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Community Access to Child Health of Brevard, Inc.'s (CATCH of Brevard, Inc.), (a non-profit organization), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on CATCH of Brevard, Inc.'s major federal program and state project for the year ended June 30, 2020. CATCH of Brevard, Inc.'s major federal program and state project are identified in the summary of auditor's results section of the accompanying schedules of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program and state financial assistance applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for CATCH of Brevard, Inc.'s major federal program and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of 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); and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about CATCH of Brevard, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with each major federal program and state project. However, our audit does not provide a legal determination of CATCH of Brevard, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, CATCH of Brevard, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state project for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of CATCH of Brevard, 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 CATCH of Brevard, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or 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 program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, 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 CATCH of Brevard, Inc.'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 a 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 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 and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Davies, Houser & Secrest, CPA, P.A.
Cocoa, Florida
November 2, 2020

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FEDERAL AWARDS PROGRAMS
 For the year ended June 30, 2020

I. Summary of auditor's results	Answers
1. Type of report issued on financial statements	Unmodified
2. Significant deficiencies in internal control disclosed by the audit of the financial statements	None
3. Noncompliance which is material to the audited financial statements	None
4. Significant deficiencies in internal control over major programs disclosed by the audit	None
5. Type of report on compliance for major programs	Unmodified
6. Audit findings required to be reported in accordance with 2 CFR 200.516(a)	None
7. Identification of major federal programs	United States Department of Education - Office of Special Education programs passed through the FL Dept. of Health: Special Education – Grants for Infants and Families CFDA #84.181
8. Dollar threshold for type A programs	\$750,000
9. Low risk auditee	Yes
II. Findings required to be reported in accordance with generally accepted <i>Government Auditing Standards</i>	None
III. Findings and questioned costs relating to federal awards	None

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FEDERAL AWARDS PROGRAMS
For the year ended June 30, 2020

No prior year findings.

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
For the year ended June 30, 2020

I. Summary of auditor's results	Answers
1. Type of report issued on financial statements	Unmodified
2. Significant deficiencies in internal control disclosed by the audit of the financial statements	None
3. Noncompliance which is material to the audited financial statements	None
4. Significant deficiencies in internal control over major projects disclosed by the audit	None
5. Type of report on compliance for major projects	Unmodified
6. Audit findings required to be reported in accordance with Chapter 10.656, Rules of the Auditor General	None
7. Identification of major state financial assistance projects	State of Florida Department of Health – Children's Medical Services: Children's Special Health Care – Developmental Evaluation CFDA #64.022
8. Dollar threshold for type A programs	\$300,000
II. Findings required to be reported in accordance with generally accepted <i>Government Auditing Standards</i>	None
III. Findings and questioned costs relating to state financial assistance	None
IV. Prior year's audit findings	None



DAVIES, HOUSER & SECREST, CPA, P.A.

Shareholders

*Stephen A. Ellis
Todd M. Russell
Shawn M. Yount*

Directors Emeritus/Directors

*Floyd C. Lemmon
Robert E. Andersen, Jr.
Donna L. Young
Tammy J. Jenkins*

MANAGEMENT LETTER

To Management and the Board of Directors
Community Access to Child Health of Brevard, Inc.
Viera, Florida

Report of the Financial Statements

We have audited the financial statements of Community Access to Child Health of Brevard, Inc., (CATCH of Brevard, Inc.), as of and for the year ended June 30, 2020, and have issued our report thereon, dated November 2, 2020.

Auditor's Responsibility

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 of Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General.

Other Reporting Requirements

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*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance, and Schedules of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated November 2, 2020, should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit are the following observations and management responses to our observations:

Observations:

Organizational Structure

The size of accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of CATCH of Brevard, Inc. to provide oversight and independent review functions.

Staff's Knowledge Regarding GAAP Reporting

Auditing Standards section 325 indicates that a control deficiency exists when the staff assigned to prepare financial statements in accordance with generally accepted accounting principles (GAAP) lacks either the skills or the knowledge to meet the reporting and/or recording requirements. Because of the number and complexity of disclosure and accounting requirements, we believe CATCH of Brevard, Inc.'s staff currently does not possess the knowledge to prepare financial statements in accordance with GAAP.

Management's Response:

Organizational Structure

Management of CATCH of Brevard, Inc. will continue to provide members of the Board of Directors with periodic financial data, so they can continue to oversee how CATCH of Brevard, Inc. is performing when compared to expectations.

Staff's Knowledge Regarding GAAP Reporting

Management of CATCH of Brevard, Inc. has engaged a CPA firm to assist with evaluating the financial statements and the underlying transactions for the sole purpose of ensuring that the financial statements are prepared and the underlying transactions are recorded in accordance with GAAP.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Davies, Houser & Secret, CPA, P.A.
Cocoa, Florida
November 2, 2020