

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

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**As of and for the years ended June 30, 2022 and 2021**

**and**

**INDEPENDENT AUDITOR'S REPORT**

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

**OFFICERS AND DIRECTORS**

Mary Ulrich, M.D.	President
Elizabeth Burns	Vice-President
Dr. Tamara Pawich	Secretary
Gina Rall	Treasurer
Lisa Crites	Director

**PROJECT ADMINISTRATOR/BUSINESS MANAGER**

Lisa Gemmill

**PROGRAM MANAGER - SPACE COAST EARLY STEPS**

Althea Puzio

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

## **Shareholders**

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

## **Directors Emeritus/Directors**

Floyd C. Lemmon  
Donna L. Young

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

#### **Opinion**

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CATCH of Brevard, Inc. as of June 30, 2022 and 2021, 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.

#### **Basis for Opinion**

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. 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 CATCH of Brevard, 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 opinions.

#### **Responsibilities of Management 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; and for 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.

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 CATCH of Brevard, 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 absolutely 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 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 CATCH of Brevard, 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.
- Consider whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CATCH of Brevard, 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.

### **Supplementary 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, 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 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 January 10, 2023, 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  
January 10, 2023

## **FINANCIAL STATEMENTS**

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 555,437	\$ 819,168
Accounts receivable	13,696	58,388
Department of Health contracts receivable	639,265	271,080
Prepaid expenses	<u>7,744</u>	<u>4,626</u>
Total current assets	1,216,142	1,153,262
Long term assets:		
Furniture and equipment at cost, net of accumulated depreciation of \$54,408 in 2022, and \$47,210 in 2021	26,946	7,648
Other assets:		
Security deposits	<u>8,000</u>	<u>8,000</u>
Total assets	<u>\$ 1,251,088</u>	<u>\$ 1,168,910</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 80,763	\$ 99,619
Accrued payroll and annual leave	141,133	132,553
Due to Department of Health	66,418	0
Short term capital lease liability	4,799	0
Other current liabilities	<u>3,800</u>	<u>0</u>
Total current liabilities	296,913	232,172
Long term capital lease liability	<u>20,810</u>	<u>0</u>
Total liabilities	317,723	232,172
Net assets without donor restrictions	<u>933,365</u>	<u>936,738</u>
Total liabilities and net assets	<u>\$ 1,251,088</u>	<u>\$ 1,168,910</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Changes in net assets without donor restrictions:		
Revenues:		
Space Coast Early Steps:		
Department of Health contract	\$ 2,611,446	\$ 2,612,095
Medicaid and third-party patient services	479,961	530,943
Other income	4,608	5,733
	<u>3,096,015</u>	<u>3,148,771</u>
Total revenues		
Program expenses	2,709,844	2,856,138
General and administrative expenses	389,544	389,411
	<u>3,099,388</u>	<u>3,245,549</u>
Total expenses		
Change in net assets without donor restrictions	(3,373)	(96,778)
Net assets without donor restrictions, at beginning of year	<u>936,738</u>	<u>1,033,516</u>
Net assets without donor restrictions, at end of year	<u>\$ 933,365</u>	<u>\$ 936,738</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, 2022 and 2021

	2022		
	<u>SCES Program</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 1,222,458	\$ 250,383	\$ 1,472,841
Fringe benefits	310,824	63,663	374,487
Total salaries and fringe benefits	<u>1,533,282</u>	<u>314,046</u>	<u>1,847,328</u>
Office expenses:			
Supplies and telephone	30,929	4,708	35,637
Insurance	16,464	3,372	19,836
Maintenance	13,053	2,673	15,726
Utilities	11,410	2,337	13,747
Postage	5,257	1,077	6,334
Printing	3,291	674	3,965
Total office expenses	<u>80,404</u>	<u>14,841</u>	<u>95,245</u>
Other expenses:			
External direct services	486,876	0	486,876
Internal direct services	353,748	0	353,748
Rent	87,503	17,922	105,425
Staff travel	94,785	2,982	97,767
Other costs	37,022	15,674	52,696
Professional fees	29,727	22,748	52,475
Depreciation	6,223	1,275	7,498
Interest expense	274	56	330
Total other expenses	<u>1,096,158</u>	<u>60,657</u>	<u>1,156,815</u>
Total operating expenses	2,709,844	389,544	3,099,388
General and administrative	<u>389,544</u>	<u>(389,544)</u>	<u>0</u>
Total expenses	<u>\$ 3,099,388</u>	<u>\$ 0</u>	<u>\$ 3,099,388</u>

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

	2021		
	<u>SCES Program</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 1,178,295	\$ 241,338	\$ 1,419,633
Fringe benefits	373,858	76,573	450,431
Total salaries and fringe benefits	<u>1,552,153</u>	<u>317,911</u>	<u>1,870,064</u>
Office expenses:			
Supplies and telephone	26,172	5,361	31,533
Insurance	18,892	3,869	22,761
Maintenance	13,914	2,850	16,764
Utilities	8,747	1,792	10,539
Postage	6,226	1,275	7,501
Printing	6,172	1,264	7,436
Total office expenses	<u>80,123</u>	<u>16,411</u>	<u>96,534</u>
Other expenses:			
External direct services	645,803	0	645,803
Internal direct services	331,771	0	331,771
Rent	72,169	14,781	86,950
Staff travel	39,560	890	40,450
Other costs	111,084	30,327	141,411
Professional fees	18,364	8,044	26,408
Depreciation	5,111	1,047	6,158
Interest expense	0	0	0
Total other expenses	<u>1,223,862</u>	<u>55,089</u>	<u>1,278,951</u>
Total operating expenses	2,856,138	389,411	3,245,549
General and administrative	<u>389,411</u>	<u>(389,411)</u>	<u>0</u>
Total expenses	<u>\$ 3,245,549</u>	<u>\$ 0</u>	<u>\$ 3,245,549</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (3,373)	\$ (96,778)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,498	6,158
Loss on disposal of equipment	0	8,317
(Increase) decrease in operating assets:		
Change in accounts receivable	44,692	(36,261)
Change in Department of Health contract receivable	(368,185)	352,158
Change in prepaid expenses	(3,118)	31,235
Change in security deposits	0	(2,000)
Increase (decrease) in operating liabilities:		
Change in accounts payable	(18,857)	20,101
Change in accrued payroll and annual leave	8,580	22,533
Change in amount due to Department of Health	66,418	(94,137)
Change in other current liabilities	3,800	0
Net cash provided by (used in) operating activities	<u>(262,545)</u>	<u>211,326</u>
Cash flows from financing activities:		
Principal payments of capital lease liability	<u>(1,186)</u>	<u>0</u>
Net cash provided by (used in) financing activities	<u>(1,186)</u>	<u>0</u>
Increase (decrease) in cash and cash equivalents	(263,731)	211,326
Cash and cash equivalents, at beginning of year	<u>819,168</u>	<u>607,842</u>
Cash and cash equivalents, at end of year	<u>\$ 555,437</u>	<u>\$ 819,168</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, 2022 and 2021

**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 included 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. SCES is currently the only active program of CATCH of Brevard, Inc.

**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, 2022 and 2021, 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, 2022 or 2021.

### *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**

For year ended June 30, 2022, CATCH of Brevard, Inc. has \$1,216,142 of financial assets available within one year of the statement of financial position date to meet cash needs consisting of \$555,437 of cash and cash equivalents, \$13,696 of accounts receivable, \$639,265 of DOH contracts receivable and \$7,744 of prepaid items.

For year ended June 30, 2021, CATCH of Brevard, Inc. had \$1,153,262 of financial assets available within one year of the statement of financial position date to meet cash needs consisting of \$819,168 of cash and cash equivalents, \$58,388 of accounts receivable, \$271,080 of DOH contracts receivable and \$4,626 of prepaid items.

### **NOTE 4 - OPERATING LEASES**

CATCH of Brevard, Inc. signed an expansion lease for its Melbourne location beginning May 2022, in the amount of \$1,061 per month, increasing approximately 3% every year through November 2023. Additional common area maintenance (CAM) charges for the new facility will also be incurred in the amount of \$535 per month, through November 2023.

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 2023. Additional common area maintenance (CAM) charges for the new facility will also be incurred in the amount of \$501 per month, through November 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.

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

2023	\$ 108,824
2024	79,923
2025	72,000
2026	<u>18,000</u>
	<u>\$ 278,747</u>

Rent expense for fiscal years ended June 30, 2022 and 2021, was \$105,425 and \$86,950, respectively.

### **NOTE 5 - CAPITAL LEASES**

Capital leases consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Copier lease, payable \$384 monthly, including interest, due March 2027	19,455	0

**NOTE 5 - CAPITAL LEASES** (continued)

	<u>2022</u>	<u>2021</u>
Copier lease, payable \$122 monthly, including interest, due May 2027	6,154	0
	25,609	0
Less current portion	<u>4,799</u>	<u>0</u>
	<u>\$ 20,810</u>	<u>\$ 0</u>

Future maturities of capital lease debt are as follows:

2023	\$ 4,799
2024	5,144
2025	5,407
2026	5,685
2027	<u>4,574</u>
	<u>\$ 25,609</u>

**NOTE 6 - 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, 2022 and 2021, was \$136,501 and \$112,806, 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 7 - CONTINGENCIES AND COMMITMENTS**

CATCH of Brevard, Inc. has a SCES contract with DOH through June 30, 2024, 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 8 - RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2022 and 2021, the Board of Directors (the Board) was compensated \$0 and \$313, 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 \$205,343 and \$235,394, for medical practices from organizations related to members of the Board for client services, including \$21,232 and \$33,968, payable on June 30, 2022 and 2021, 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 9 - CONCENTRATIONS OF CREDIT RISK**

CATCH of Brevard, Inc. maintained a cash balance in excess of the FDIC insured limits by \$118,758 and \$409,336, as of June 30, 2022 and 2021, respectively. CATCH of Brevard, Inc. is considering 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, 2022, and 2021, net receivables from the DOH, Medicaid, and other third-party payers totaled \$652,961 and \$329,468, respectively, and represent a significant portion of the assets of CATCH of Brevard, Inc.

#### **NOTE 10 - SUBSEQUENT EVENTS**

CATCH of Brevard, Inc. has evaluated events through January 10, 2023, the date which the financial statements were available to be issued.

**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, 2022

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	\$ 970,393	\$ <u>897,975</u>
Federal totals				<u>897,975</u>
State financial assistance:				
State of Florida Department of Health:				
Children's Medical Services:				
Children's Special Health Care:				
Developmental Evaluation	64.022	COQZK	\$ 1,713,471	\$ <u>1,713,471</u>
State totals				<u>1,713,471</u>
Total expenditures of federal awards and state financial assistance				\$ <u><u>2,611,446</u></u>

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, 2022

**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.

## *Shareholders*

*Stephen A. Ellis  
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Shawn M. Yount*

## *Directors Emeritus/Directors*

*Floyd C. Lemmon  
Donna L. Young*

## **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.  
Rockledge, 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, 2022, 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 January 10, 2023.

### **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  
January 10, 2023



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

## *Shareholders*

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

## *Directors Emeritus/Directors*

*Floyd C. Lemmon  
Donna L. Young*

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND 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.  
Rockledge, Florida

### **Report on Compliance for Each Major Federal Program and State Project**

#### **Opinion on 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, 2022. 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.

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, 2022.

#### **Basis for Opinion on Each Major Federal Program and State Project**

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. Our responsibilities under the standards above are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CATCH of Brevard, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 CATCH of Brevard, Inc.'s compliance with the compliance requirements referred to above.

### **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 provisions of contracts and grant agreements applicable to CATCH of Brevard, Inc.'s federal programs and state projects.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements above occurred, whether due to fraud or error, and to express an opinion on CATCH of Brevard, Inc.'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 a material misstatement when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about CATCH of Brevard, Inc.'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 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 CATCH of Brevard, Inc.'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 CATCH of Brevard, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstance and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CATCH of Brevard, Inc.'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

*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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
January 10, 2023

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FEDERAL AWARDS PROGRAMS  
 For the year ended June 30, 2022

<b>I. Summary of auditor's results</b>	<b>Answers</b>
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
<b>II. Findings required to be reported in accordance with generally accepted <i>Government Auditing Standards</i></b>	None
<b>III. Findings and questioned costs relating to federal awards</b>	None

COMMUNITY ACCESS TO CHILD HEALTH OF BREVARD, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FEDERAL AWARDS PROGRAMS  
For the year ended June 30, 2022

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, 2022

<b>I. Summary of auditor's results</b>	<b>Answers</b>
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 No Management Letter Issued
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
<b>II. Findings required to be reported in accordance with generally accepted <i>Government Auditing Standards</i></b>	None
<b>III. Findings and questioned costs relating to state financial assistance</b>	None
<b>IV. Prior year's audit findings</b>	None