

Children's Diagnostic &
Treatment Center, Inc.

Financial Statements and
Additional Information
For the Years Ended June 30, 2021 and 2020



Children's Diagnostic & Treatment Center, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Children's Diagnostic & Treatment Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Children's Diagnostic & Treatment Center, Inc. (a nonprofit organization) (the "Organization"), which comprise of the statements of financial position as of June 30, 2021 and 2020, 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 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.

CPA's + Trusted Advisors

Children's Diagnostic & Treatment Center, Inc.

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 the Organization as of June 30, 2021 and 2020, 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 State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Further, the schedules of explicit and discrete disclosure for Broward County grant and Broward County revenue and expenses are presented for purposes of additional analysis and are 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 our report dated October 26, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
October 26, 2021

FINANCIAL STATEMENTS



Children's Diagnostic & Treatment Center, Inc.
Statements of Financial Position
June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets:						
Cash and cash equivalents	\$ 1,116,664	\$ 468,205	\$ 1,584,869	\$ 857,299	\$ 227,245	\$ 1,084,544
Due from patients and others, net of allowance for uncollectibles	956,800	-	956,800	923,132	-	923,132
Grant receivables	2,662,582	-	2,662,582	1,927,497	-	1,927,497
Other assets	413,195	-	413,195	290,786	-	290,786
Total current assets	5,149,241	468,205	5,617,446	3,998,714	227,245	4,225,959
Property and equipment, net	1,229,349	-	1,229,349	1,223,288	-	1,223,288
Total assets	\$ 6,378,590	\$ 468,205	\$ 6,846,795	\$ 5,222,002	\$ 227,245	\$ 5,449,247
Current Liabilities:						
Accounts payable and accrued expenses	\$ 729,328	\$ -	\$ 729,328	\$ 757,702	\$ -	\$ 757,702
Accrued salaries	457,633	-	457,633	423,611	-	423,611
Refundable advances	497,346	-	497,346	492,225	-	492,225
Accrued leave benefits	585,136	-	585,136	486,841	-	486,841
Total current liabilities	2,269,443	-	2,269,443	2,160,379	-	2,160,379
Other Liabilities:						
Due to Parent	9,576,134	-	9,576,134	9,071,475	-	9,071,475
Total liabilities	11,845,577	-	11,845,577	11,231,854	-	11,231,854
Net Assets:						
Without donor restrictions:						
Undesignated (deficit)	(5,466,987)	-	(5,466,987)	(6,009,852)	-	(6,009,852)
With donor restrictions:						
Purpose restrictions	-	468,205	468,205	-	227,245	227,245
Total net assets (deficit)	(5,466,987)	468,205	(4,998,782)	(6,009,852)	227,245	(5,782,607)
Total liabilities and net assets	\$ 6,378,590	\$ 468,205	\$ 6,846,795	\$ 5,222,002	\$ 227,245	\$ 5,449,247

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

Children's Diagnostic & Treatment Center, Inc.
Statements of Activities
For the Years Ended June 30, 2021 and 2020

	2021			2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Public Support:						
Grant revenue	\$ 11,887,165	\$ -	\$ 11,887,165	\$ 12,591,193	\$ -	\$ 12,591,193
Contract revenue	153,800	-	153,800	183,195	-	183,195
Contributions and donations	501,973	294,261	796,234	364,458	201,668	566,126
Net patient service revenue	1,976,855	-	1,976,855	2,214,514	-	2,214,514
Subsidy from Parent	1,396,133	-	1,396,133	1,315,109	-	1,315,109
Other revenue	2,682,801	-	2,682,801	1,290,624	-	1,290,624
Net assets released from restrictions	<u>53,301</u>	<u>(53,301)</u>	<u>-</u>	<u>547,317</u>	<u>(547,317)</u>	<u>-</u>
Total revenue and public support	<u>18,652,028</u>	<u>240,960</u>	<u>18,892,988</u>	<u>18,506,410</u>	<u>(345,649)</u>	<u>18,160,761</u>
Expenses:						
Program services	<u>18,873,704</u>	<u>-</u>	<u>18,873,704</u>	<u>18,097,505</u>	<u>-</u>	<u>18,097,505</u>
Supporting services:						
General and administrative expenses	1,881,099	-	1,881,099	1,690,590	-	1,690,590
Development	<u>368,382</u>	<u>-</u>	<u>368,382</u>	<u>323,411</u>	<u>-</u>	<u>323,411</u>
Total supporting services	<u>2,249,481</u>	<u>-</u>	<u>2,249,481</u>	<u>2,014,001</u>	<u>-</u>	<u>2,014,001</u>
Total expenses	<u>21,123,185</u>	<u>-</u>	<u>21,123,185</u>	<u>20,111,506</u>	<u>-</u>	<u>20,111,506</u>
Other Gains and (Losses):						
Change in value of pension and other post-employment benefits	<u>3,014,022</u>	<u>-</u>	<u>3,014,022</u>	<u>385,120</u>	<u>-</u>	<u>385,120</u>
Change in net assets	542,865	240,960	783,825	(1,219,976)	(345,649)	(1,565,625)
Net Assets, Beginning of Year	<u>(6,009,852)</u>	<u>227,245</u>	<u>(5,782,607)</u>	<u>(4,789,876)</u>	<u>572,894</u>	<u>(4,216,982)</u>
Net Assets, End of Year	\$ <u><u>(5,466,987)</u></u>	\$ <u><u>468,205</u></u>	\$ <u><u>(4,998,782)</u></u>	\$ <u><u>(6,009,852)</u></u>	\$ <u><u>227,245</u></u>	\$ <u><u>(5,782,607)</u></u>

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

Children's Diagnostic & Treatment Center, Inc.
Statement of Functional Expense
For the Year Ended June 30, 2021

	Program Services				Total Program Services	Supporting Services			Total 2021 Expenses
	Early Steps	Comprehensive Family AIDS Program	Primary Care	Other Programs		Management and General	Fundraising and Development	Total Supporting Services	
Personnel Costs:									
Payroll general staff	\$ 4,420,513	\$ 1,353,937	\$ 478,871	\$ 1,888,718	\$ 8,142,039	\$ 927,634	\$ 191,284	\$ 1,118,918	\$ 9,260,957
Payroll physician	128,203	213,344	406,829	267,952	1,016,328	-	-	-	1,016,328
Employee benefits	<u>1,121,882</u>	<u>387,806</u>	<u>225,449</u>	<u>534,245</u>	<u>2,269,382</u>	<u>451,440</u>	<u>47,348</u>	<u>498,788</u>	<u>2,768,170</u>
Total personnel costs	5,670,598	1,955,087	1,111,149	2,690,915	11,427,749	1,379,074	238,632	1,617,706	13,045,455
Other Expenses:									
Common services	921,296	222,039	138,662	313,140	1,595,137	-	34,428	34,428	1,629,565
Fees	2,507,689	5,255	9,385	253,658	2,775,987	326,642	18,864	345,506	3,121,493
Insurance	38,759	4,356	4,272	4,281	51,668	11,461	-	11,461	63,129
Leases and rentals	256,033	57,791	38,287	81,755	433,866	32,698	7,768	40,466	474,332
Other expenses	9,065	38,079	45,473	67,398	160,015	4,621	34,885	39,506	199,521
Repairs and maintenance	10,831	-	3.00	231	11,065	19,211	-	19,211	30,276
Supplies	74,951	17,852	34,745	2,055,212	2,182,760	17,626	30,511	48,137	2,230,897
Utilities	<u>87,902</u>	<u>28,563</u>	<u>9,872</u>	<u>77,775</u>	<u>204,112</u>	<u>21,356</u>	<u>3,294</u>	<u>24,650</u>	<u>228,762</u>
Total other expenses	3,906,526	373,935	280,699	2,853,450	7,414,610	433,615	129,750	563,365	7,977,975
Interest	-	-	-	-	-	384	-	384	384
Depreciation	<u>6,966</u>	<u>1,338</u>	<u>5,093</u>	<u>17,948</u>	<u>31,345</u>	<u>68,026</u>	<u>-</u>	<u>68,026</u>	<u>99,371</u>
Total expenses	\$ <u>9,584,090</u>	\$ <u>2,330,360</u>	\$ <u>1,396,941</u>	\$ <u>5,562,313</u>	\$ <u>18,873,704</u>	\$ <u>1,881,099</u>	\$ <u>368,382</u>	\$ <u>2,249,481</u>	\$ <u>21,123,185</u>

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

Children's Diagnostic & Treatment Center, Inc.
Statement of Functional Expense
For the Year Ended June 30, 2020

	Program Services					Supporting Services			Total 2020 Expenses
	Early Steps	Comprehensive Family AIDS Program	Primary Care	Other Programs	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	
Personnel Costs:									
Payroll general staff	\$ 4,253,588	\$ 1,329,319	\$ 450,881	\$ 1,838,835	\$ 7,872,623	\$ 916,055	\$ 162,288	\$ 1,078,343	\$ 8,950,966
Payroll physician	142,052	227,729	415,418	245,676	1,030,875	-	-	-	1,030,875
Employee benefits	<u>1,235,319</u>	<u>467,528</u>	<u>261,860</u>	<u>636,035</u>	<u>2,600,742</u>	<u>236,822</u>	<u>55,975</u>	<u>292,797</u>	<u>2,893,539</u>
Total personnel costs	5,630,959	2,024,576	1,128,159	2,720,546	11,504,240	1,152,877	218,263	1,371,140	12,875,380
Other Expenses:									
Common services	380,617	89,348	56,888	127,825	654,678	-	25,343	25,343	680,021
Fees	3,275,293	3,898	3,534	164,649	3,447,374	309,211	10,638	319,849	3,767,223
Insurance	2,882	4,356	4,272	4,269	15,779	11,666	-	11,666	27,445
Leases and rentals	335,704	58,297	37,042	80,323	511,366	22,827	6,337	29,164	540,530
Other expenses	43,579	56,002	104,297	288,676	492,554	17,563	54,621	72,184	564,738
Repairs and maintenance	9,343	-	-	-	9,343	17,945	-	17,945	27,288
Supplies	133,169	15,328	91,296	1,016,221	1,256,014	53,317	5,786	59,103	1,315,117
Utilities	<u>77,983</u>	<u>27,858</u>	<u>9,432</u>	<u>57,605</u>	<u>172,878</u>	<u>26,117</u>	<u>2,423</u>	<u>28,540</u>	<u>201,418</u>
Total other expenses	4,258,570	255,087	306,761	1,739,568	6,559,986	458,646	105,148	563,794	7,123,780
Interest	-	-	-	-	-	226	-	226	226
Depreciation	<u>7,704</u>	<u>1,464</u>	<u>3,986</u>	<u>20,125</u>	<u>33,279</u>	<u>78,841</u>	<u>-</u>	<u>78,841</u>	<u>112,120</u>
Total expenses	\$ <u>9,897,233</u>	\$ <u>2,281,127</u>	\$ <u>1,438,906</u>	\$ <u>4,480,239</u>	\$ <u>18,097,505</u>	\$ <u>1,690,590</u>	\$ <u>323,411</u>	\$ <u>2,014,001</u>	\$ <u>20,111,506</u>

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

Children's Diagnostic & Treatment Center, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 783,825	\$ (1,565,625)
Adjustments to reconcile changes in net assets to cash provided by (used in) operating activities:		
Provision for depreciation	99,371	112,120
Provision for uncollectible accounts	138,811	19,684
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Due from patients and others, net	(172,479)	50,060
Grants receivable	(735,085)	715,468
Other assets	(122,409)	(452,827)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(28,374)	(446,109)
Accrued salaries	34,022	75,167
Refundable advances	5,121	77,103
Accrued leave benefits	98,295	130,816
	<u>101,098</u>	<u>(1,284,143)</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	<u>(105,432)</u>	<u>(57,455)</u>
	<u>(105,432)</u>	<u>(57,455)</u>
Cash Flows From Financing Activities:		
Due to Parent	<u>504,659</u>	<u>(4,339,306)</u>
	<u>504,659</u>	<u>(4,339,306)</u>
Net increase (decrease) in cash and cash equivalents	500,325	(5,680,904)
Cash and Cash Equivalents, Beginning of Year	<u>1,084,544</u>	<u>6,765,448</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>1,584,869</u></u>	\$ <u><u>1,084,544</u></u>

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

Note 1 - Organization and Operations

Children's Diagnostic & Treatment Center, Inc. (the "Organization"), a Florida not-for-profit corporation was incorporated in 2000. The North Broward Hospital District (the "Parent") is the sole member of the Organization. The Organization provides comprehensive prevention, intervention, and treatment services to children and youth faced with serious physical, social and other developmental, and special health care needs by building supports, linking to resources, and providing educational services that will foster hope, healing, and comfort.

The Organization is funded principally through patient service revenue, donations and grants from federal, state, and local entities.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The Organization uses the accrual basis of accounting for financial reporting purposes, which is in accordance with generally accepted accounting principles. Revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Under FASB ASU No. 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions:* Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other-donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

All contributions are considered available for general use, unless specifically restricted by donor or subject to other legal restrictions.

Cash and cash equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Note 2 - Summary of Significant Accounting Policies (continued)

Due from patients and others: Due from patients and others are reduced by an allowance for doubtful accounts and contractual allowances. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. The differences between the standard rates (or discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. The allowance for doubtful accounts was approximately \$ 426,000 and \$ 180,000 as of June 30, 2021 and 2020, respectively.

Grant receivables: Grant receivables consist of federal, state and local awards from various agencies. Management has determined the receivable balance to be fully collectible as of June 30, 2021 and 2020 and a provision for uncollectible accounts is not necessary.

Inventory: Inventory, which is included in other assets, consists mainly of drug and food supplies and is carried at cost.

Property and equipment: Property and equipment are recorded at cost if purchased or, if donated, at their estimated fair value at the time donation, less accumulated depreciation. In accordance with the Organization's policy, capitalization of assets is done only when the cost of a single item or aggregate purchase exceeds \$ 1,000. The Organization follows the policy of providing for depreciation using the straight-line method over the estimated useful life of each type of asset which is as follows:

Building improvements	5-40 years
Furniture and fixtures	10-15 years
Computer equipment	5-10 years
Land improvements	5-25 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Revenue and revenue recognition: The Organization recognizes grants and contributions when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived.

Amounts received prior to meeting certain conditions, including measurable performance or other barrier, providing the unit of service, and/or incurring qualifying expenditures in compliance with the specific grant or contract are reported as a liability, refundable advances, in the statement of financial position.

Revenues from special events that are considered exchange transactions are not recognized until the special event takes place. Other programs income from products and services are recognized as income when the performance obligation of transferring the products and providing the services are met. Amounts received in advance are deferred to the applicable period.

Note 2 - Summary of Significant Accounting Policies (continued)

A significant portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization incurs expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Contract revenue is generally billed monthly and is derived from units of service contracts. Amounts received are recognized as revenue when the unit of service has been provided in compliance with the specific contract.

Patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing patient care. These amounts are due from patients, third-party payers (including health insurers and government programs) and others and includes variable consideration for retroactive adjustments due to settlement of audits, reviews and investigations. Generally, the Organization bills patients and third-party payers several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payers, discounts provided to uninsured patients in accordance with the Organization's policy and/or implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on historical collection experience with this class of patients.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization. In addition, the contracts the Organization has with commercial payers also provide for retroactive audit and review of claims.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

The Organization participates in the 340B drug pricing program ("340B Program"), which enables qualifying health care providers to purchase drugs from pharmaceutical suppliers at a substantial discount. 340B Program revenue is recognized as prescriptions are filled to qualified patients.

Note 2 - Summary of Significant Accounting Policies (continued)

Functional expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by functions. Expenses that can be directly identified with a program or supporting service are charged accordingly. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses include compensation, taxes and fringe benefits, professional fees, building occupancy costs, provision for depreciation and others, are allocated on the basis of estimates of time and effort, square footage, and other methods as determined by management.

Contributed goods and services: The Organization pays for most services requiring specific expertise. However, when services requiring specific expertise are contributed, they are reported as contributions at their estimated fair value if such services create or enhance non-financial assets, would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. During the years ended June 30, 2021 and 2020, the value of contributed services meeting requirements for recognition in the financial statements was not material and was not recorded.

Contributed goods are recorded at their estimated fair market value when received.

Income taxes: The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and as such, is only subject to federal income taxes on unrelated business income. Per management, there were no income taxes resulting from unrelated business income during the years ended June 30, 2021 or 2020.

Accounting standards prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Any interest and penalties associated with tax positions would be recognized as supporting services and expenses - other on the statement of activities. There were no interest and penalties recognized in the financial statements for the current year. Generally, the Organization's tax returns remain open for federal income tax examination for three years from the date of filing.

Use of estimates: In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies (continued)

Concentrations of credit risk: Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of receivables, cash and cash equivalents. The concentration of credit risk with respect to receivables is primarily due to the economic dependency in federal, state and other agencies and the ability to obtain authorization, process and collect balances timely. The Organization has cash and cash equivalents in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). At June 30, 2021 and 2020, there was approximately \$ 1,335,000 and \$ 835,000, respectively, held in excess of the FDIC limits. Cash is maintained, with what management believes to be high quality financial institutions, to limit its risk.

Reclassifications: Prior period financial statement amounts have been reclassified to conform to current period presentation. Total net assets and change in net assets are unchanged due to these reclassifications.

Date of management review: Management has evaluated subsequent events through October 26, 2021, the date the financial statements were available to be issued, and has concluded that there were no such events that require adjustment to the financial statements or disclosure in the notes to the financial statements.

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, is estimated and comprise the following:

Financial Assets:	
Cash and cash equivalents	\$ 1,584,869
Due from patients and others, net of allowance for uncollectibles	956,800
Grant receivables	2,662,582
Other assets	<u>304,137</u>
Financial assets at year-end	5,508,388
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions making financial assets unavailable for general expenditure	<u>(468,205)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 5,040,183</u>

Note 4 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Building improvements	\$ 1,343,454	\$ 1,343,454
Furniture and fixtures	642,712	674,291
Computer equipment	431,450	393,629
Land improvements	<u>15,280</u>	<u>15,280</u>
	2,432,896	2,426,654
Less: accumulated depreciation	<u>1,246,469</u>	<u>1,203,366</u>
	1,186,427	1,223,288
Construction-in-progress	<u>42,922</u>	<u>-</u>
	<u>\$ 1,229,349</u>	<u>\$ 1,223,288</u>

Note 5 - Due To Parent

Due to Parent represents operating expenses and other amounts incurred by the Parent on behalf of the Organization. These amounts include allocations made by the Parent for estimated worker's compensation, malpractice claims, and certain post-employment benefits. The Organization's risk management function is performed by the Parent and any claims against the Organization would be paid to the Parent by the Organization. Management is not aware of any current claims asserted against the Organization. Additionally, the Parent is the employer for all Organization staff members and would satisfy all post-employment obligations which would be reimbursed by the Organization. As of June 30, 2021 and 2020, Due to Parent was approximately \$ 9,576,000 and \$ 9,071,000, respectively.

Note 6 - Net Assets With Donor Restrictions

As of June 30, 2021 and 2020, the Organization reported net assets with donor restrictions of \$ 468,205 and \$ 227,245, respectively, which consists of cash and cash equivalents, for purposes of indigent care and various operating expenses. It is the intention of the Organization to complete the spending in accordance with the donors' wishes.

Note 7 - Related Party Transactions

The Organization was established to provide medical, health care and family care services to children. The Organization is reported as a division of the Parent. The Parent makes payments for the various expenses such as employee's health insurance, general insurance and pension costs, and charges these expenses to the Organization. As of June 30, 2021 and 2020, the liability for these expenses is computed and allocated by the Parent. The Parent provided funding to the Organization to cover operating expenses of approximately \$ 1,396,000 and \$ 1,315,000 for the years ended June 30, 2021 and 2020, respectively.

Note 7 - Related Party Transactions (continued)

The Organization leases various facilities through its Parent. The Organization's primary operations are in a building owned by the Parent and also operates satellite offices that are leased by the Parent. The Organization pays the Parent approximately \$ 39,000 per month for these facilities. In addition, the Parent provided approximately \$ 54,000 and \$ 49,000 in donated facility use in connection with a satellite office for the years ended June 30, 2021 and 2020, respectively.

The Parent maintains a single-employer, noncontributory defined benefit (cash balance) pension plan (the "Plan") covering substantially all full-time and part-time eligible employees. Employees are eligible for Plan participation after completing one year of credited service and the attainment of age 21. Benefits are vested after five years of credited service. Normal retirement age under the Plan is 65 with provisions for early retirement if the participant is between 55-64 years of age and has attained five years of credited service. The Organization's portion of pension plan expenses, including other-post employment benefits, for the years ended June 30, 2021 and 2020 were approximately \$ 405,000 and \$ 817,000, respectively. In addition, the Organization recorded a change in value of pension and other post-employment benefits for the years ended June 30, 2021 and 2020 of approximately \$ 3,014,000 and \$ 385,000, respectively.

Effective January 1, 1990, the Parent implemented a defined contribution plan, the Star Plus 403(b) Plan, (the "403(b) Plan") for all employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings or losses. Employees are eligible to participate immediately, and full-time and part-time employees are eligible for employer matching contributions upon completion of one year of service. The Parent's Board of Directors approved the 403(b) Plan, which requires an employer contribution match of 100% of the employee's contribution not to exceed 1% of the employee's compensation (subject to limitations) and 35% of the employee's contribution between 1% and 4% of the employee's compensation. The Organization's portion of employer contributions for the years ended June 30, 2021 and 2020 were approximately \$ 159,000 and \$ 153,000, respectively.

Note 8 - Net Patient Service Revenue

Net patient service revenue consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Gross patient service revenue	\$ 4,645,622	\$ 3,548,928
Contractual allowances:		
Medicare	81,481	47,048
Medicaid	58,313	11,539
HMO/PPO	1,714,933	770,662
Other	675,229	485,481
Total allowances	<u>2,529,956</u>	<u>1,314,730</u>
Provision for bad debt, net	<u>138,811</u>	<u>19,684</u>
Total deductions from patient service revenue	<u>2,668,767</u>	<u>1,334,414</u>
Net patient service revenue	<u>\$ 1,976,855</u>	<u>\$ 2,214,514</u>

Note 8 - Net Patient Service Revenue (continued)

Patient service revenue net of contractual allowances, and bad debt by payor consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Medicare	\$ 11,599	\$ 11,409
Medicaid	27,242	69,934
HMO/PPO	2,127,876	2,224,294
Other	<u>(189,862)</u>	<u>(91,123)</u>
Total net patient service revenue	\$ <u><u>1,976,855</u></u>	\$ <u><u>2,214,514</u></u>

Note 9 - Commitments and Contingencies

Contingency: The Organization receives a significant portion of its funding from federal, state and local grants that are renewed depending on the availability of funds and the Organization's compliance with the requirements of the contracts and grants. Therefore, continued funding under these grants is not guaranteed. A significant reduction in the level of funding, if this were to occur, would have an effect on the Organization's ability to carry out its programs and activities.

Grant monies received and disbursed by the Organization are for specific purposes and are subject to audit by the grantor agencies. Such audit may result in requests for reimbursements due to disallowed expenditures. Based upon prior experiences, the Organization does not believe that such disallowance, if any, would have a material effect on the financial position of the Organization.

Operating lease: The Organization leases an office building, under an operating lease, from the Parent that expires in July 2022. Base rent will be increased each year by the Consumer Price Index published closest to the date of the beginning of the immediately preceding year of the term, not to exceed three percent per year. In addition, the Parent leases satellite offices, on behalf of the Organization. Under the arrangement, the Organization pays approximately \$ 6,900 on a month to month basis. Total rental expense for all operating leases was approximately \$ 474,000 and \$ 541,000 for the years ended June 30, 2021 and 2020, respectively.

Estimated future minimum lease payments under the operating leases are approximately as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 391,900
Thereafter	<u>-</u>
	\$ <u><u>391,900</u></u>

Litigation: From time to time, the Organization is involved in legal proceedings arising in the ordinary course of business. The Organization believes there is no pending litigation against it that could have, individually or in the aggregate, a material adverse effect on its financial position, results of activities or cash flows.

Note 10 - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak a pandemic. Management and the Board of Directors continue to evaluate and monitor the potential adverse effect that this event may have on the Organization's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are developing.

SUPPLEMENTAL INFORMATION



Children's Diagnostic & Treatment Center, Inc.
Schedule of Explicit and Discrete Disclosure for Broward County Grant
For the Year Ended June 30, 2021

<u>Program</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
Broward County - Children's Services Administration Division		
Medical Home	18-CP-CSA-8477-01	\$ 280,422
Medical Home	18-CP-CSA-8477-01	<u>863,527</u>
Total Expenditures of Broward County Grant		<u>\$ 1,143,949</u>

**Children's Diagnostic & Treatment Center, Inc.
Schedule of Broward County Revenue and Expenses
For the Year Ended June 30, 2021**

	Medical Home 18-CP-CSA -8477-01 Amend 2	Medical Home 18-CP-CSA -8477-01 Amend 3
Grant Revenue	\$ <u>186,802</u>	\$ <u>519,751</u>
Direct Expenses:		
Salaries	178,530	542,856
Employee benefits	45,105	126,744
Supplies	1,536	5,176
Insurance	1,042	3,127
Utilities	2,732	10,563
Other	<u>7,699</u>	<u>21,073</u>
Total direct expenses	236,644	709,539
Common Services Allocation	22,677	79,094
Administrative Allocation	<u>21,101</u>	<u>74,894</u>
Total expenses	<u>280,422</u>	<u>863,527</u>
Excess (deficiency) of revenue over expenses	\$ <u><u>(93,620)</u></u>	\$ <u><u>(343,776)</u></u>

**Children's Diagnostic & Treatment Center, Inc.
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended June 30, 2021**

Federal/State Grantor/Pass-through Grantor/ Federal Program/State Project or Cluster Title	CFDA/CSFA No.	Contract/Grant No.	Expenditures	Transfers to Subrecipients
Federal Agency Name:				
Direct Programs:				
U.S. Department of Health and Human Services -				
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	6 H12HA24787-08-00	\$ 158,367	\$ -
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	6 H12HA24787-08-02	1,783,242	-
Coordinated Services and Access to Research for Women, Infants, Children, and Youth - COVID-19	93.153	6 H1XHA37058-01-02	142,738	-
		93.153 Total	<u>2,084,347</u>	<u>-</u>
Indirect Programs:				
Pass-through State of Florida -				
HIV Prevention Activities - Health Department Based (TOPWA)	93.940	CODMJ-R3 A2	77,810	-
HIV Prevention Activities - Health Department Based (TOPWA)	93.940	CODTB	75,817	-
		93.940 Total	<u>153,627</u>	<u>-</u>
Children's Medical Services Pediatric HIV	93.994	COQVV R1	153,110	-
HIV Care Formula Grants	93.917	BW737	11,212	-
HIV Care Formula Grants	93.917	BW737 R1	23,063	-
		93.917 Total	<u>34,275</u>	<u>-</u>
Research and Development Cluster:				
Pass-through Harvard School of Public Health -				
Child Health and Human Development Extramural Research (AMP)	93.865	5U01HD052102-15 A2 (Sub: 114205-1520-5096781)	6,464	-
Child Health and Human Development Extramural Research (AMP)	93.865	1P01HD103133-01 (Sub: 117267-0120-5119032)	72,934	-
Child Health and Human Development Extramural Research (SMARTT)	93.865	5U01HD052102-15 A2 (Sub: 114205-1522-5096783)	17,425	-
Child Health and Human Development Extramural Research (SMARTT)	93.865	1P01HD103133-01 (Sub: 117267-0122-5119034)	195,770	-
Pass-through Johns Hopkins University -				
Child Health and Human Development Extramural Research (IMPACT)	93.865	UM1 AI068632 (Sub: PTCL 02 & 03)	102,765	-
Pass-through National Institutes of Health -				
Child Health and Human Development Extramural Research (ATN TERA)	93.865	5U24HD089880-04 A1 (Sub: 5114041)	22,513	-
		93.865 Total	<u>417,871</u>	<u>-</u>
Total Research and Development Cluster			<u>417,871</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>2,843,230</u>	<u>-</u>

See notes to schedule of expenditures of federal awards and state financial assistance.

Children's Diagnostic & Treatment Center, Inc.
Schedule of Expenditures of Federal Awards
and State Financial Assistance
(Continued)
For the Year Ended June 30, 2021

Federal/State Grantor/Pass-through Grantor/ Federal Program/State Project or Cluster Title	CFDA/CSFA No.	Contract/Grant No.	Expenditures	Transfers to Subrecipients
U.S. Department of Education -				
Pass-through State of Florida				
Department of Health -				
Special Education-Grants for Infants and Families (EIP)	84.181	COQZD A4	2,359,927	-
Total Expenditures of Federal Awards			<u>\$ 5,203,157</u>	<u>\$ -</u>
State Agency Name:				
Direct Projects:				
State of Florida, Department of Health -				
Children's Special Health Care - Developmental Evaluation	64.022	COQZD A4	5,262,154	-
Total Expenditures of State Financial Assistance			<u>\$ 5,262,154</u>	<u>\$ -</u>

See notes to schedule of expenditures of federal awards and state financial assistance.

Children's Diagnostic & Treatment Center, Inc.
Notes to Schedule of Expenditures of Federal Awards and
State Financial Assistance
June 30, 2021

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal awards and state financial assistance of Children's Diagnostic & Treatment Center, Inc. (the "Organization") for the year ended June 30, 2021.

Note 2 - Basis of Presentation

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

Note 3 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4 - Indirect Cost Rate

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

Note 5 - Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Organization. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and other applicable regulations.

INTERNAL CONTROLS AND COMPLIANCE



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Children's Diagnostic & Treatment Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Children's Diagnostic & Treatment Center, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2021, 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 October 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

CPA's + Trusted Advisors

Compliance and Other Matters

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
October 26, 2021

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
Children's Diagnostic & Treatment Center, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited the Children's Diagnostic & Treatment Center, Inc.'s (a nonprofit organization) (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2021. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects 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; and 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 and/or state project occurred. An audit includes examining, on a test basis, evidence about the Organization'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 for each major federal program and state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and/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 and/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 and/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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
October 26, 2021

**Children's Diagnostic & Treatment Center, Inc.
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Programs and State Projects

Internal control over major federal programs and state projects:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major federal programs and state projects: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.650, *Rules of the Auditor General*? yes no

Identification of major federal program(s) and state project(s):

<u>CFDA No.</u>	<u>Federal Program(s)</u>
84.181	U.S. Department of Education - Special Education - Grants for Infants and Families
<u>CSFA No.</u>	<u>State Project(s)</u>
64.022	State of Florida Department of Health - Children's Special Health Care - Developmental Evaluation

Dollar threshold used to distinguish between Type A and Type B programs/projects: \$ 750,000 federal programs and state projects

Auditee qualified as low-risk auditee? yes no

**Children's Diagnostic & Treatment Center, Inc.
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2021**

SECTION II - FINANCIAL STATEMENTS FINDINGS

None Reported.

SECTION III - FEDERAL PROGRAMS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None Reported.