

*QUALITY HOME CARE SERVICES, INC.*  
*D/B/A QUALITY COMPREHENSIVE HEALTH CENTER*

*FINANCIAL STATEMENTS*  
*JUNE 30, 2019*

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# ***QUALITY HOME CARE SERVICES, INC.***

***d/b/a Quality Comprehensive Health Center***

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**June 30, 2019**

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# ***C. DEWITT FOARD & COMPANY, P.A.***

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**TERRY W. LANCASTER**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Quality Home Care Services, Inc.  
d/ba Quality Comprehensive Health Center  
Charlotte, North Carolina

We have audited the accompanying financial statements of Quality Home Care Services, Inc., d/b/a Quality Comprehensive Health Center, (the "Organization" - a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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.

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

Quality Home Care Services, Inc.  
d/b/a Quality Comprehensive Health Center  
Charlotte, North Carolina

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Quality Home Care Services, Inc., as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 our report dated January 21, 2020, on our consideration of Quality Home Care Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Quality Home Care Services, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 financial statements, and our report dated July 8, 2019, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

C. Dewitt Ford & Company, P.A.  
January 21, 2020

# **QUALITY HOME CARE SERVICES, INC.**

*d/b/a Quality Comprehensive Health Center*

## **Statement of Financial Position**

**June 30, 2019, with prior year comparative totals**

	June 30,	
	2019	2018
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$ 95,584	\$ 29,083
Receivables:		
Grants	83,662	77,385
Sales tax receivable	798	-
Due from related party	60,461	67,020
Employee receivable	-	3,000
Prepaid expense	2,850	2,700
Security deposit	23,468	10,868
<b><i>Total Current Assets</i></b>	<b>266,823</b>	<b>190,056</b>
Non-Current Assets:		
Property and equipment (net)	9,348	4,701
<b><i>Total Non-Current Assets</i></b>	<b>9,348</b>	<b>4,701</b>
<b>TOTAL ASSETS</b>	<b>\$ 276,171</b>	<b>\$ 194,757</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts payable	\$ 72,690	\$ 48,338
Accrued payroll	37,032	19,162
Current portion of lease payable	12,855	-
Deferred revenue	-	7,000
Due to Executive Director	41,485	42,086
<b><i>Total Current Liabilities</i></b>	<b>164,062</b>	<b>116,586</b>
Long-term Liabilities:		
Lease payable	24,589	-
<b><i>Total Long-Term Liabilities</i></b>	<b>24,589</b>	<b>-</b>
Net Assets:		
Without donor restrictions	87,520	78,171
<b><i>Total Net Assets</i></b>	<b>87,520</b>	<b>78,171</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 276,171</b>	<b>\$ 194,757</b>

See accompanying notes to financial statements.

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**QUALITY HOME CARE SERVICES, INC.***d/b/a Quality Comprehensive Health Center***Statement of Activities****Year Ended June 30, 2019, with prior year comparative totals**

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	Year Ended June 30,	
	2019	2018
<b><u>SUPPORT AND REVENUE</u></b>		
Program Income:		
Medicaid	\$ 889,415	\$ 798,522
Other program	589,977	510,687
Grant Income:		
Center for Disease Control	354,599	379,021
Ryan White	363,844	386,174
Other grants	270,483	92,151
Other income	3,225	2,301
Contributions	6,291	2,461
<b><i>Total Support and Revenue</i></b>	<b>2,477,834</b>	<b>2,171,317</b>
<b><u>EXPENSES</u></b>		
Program services	2,153,730	1,976,904
Management and general	314,755	239,871
<b><i>Total Expenses</i></b>	<b>2,468,485</b>	<b>2,216,775</b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b>9,349</b>	<b>(45,458)</b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b>78,171</b>	<b>123,629</b>
<b><i>NET ASSETS, ENDING</i></b>	<b>\$ 87,520</b>	<b>\$ 78,171</b>

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**QUALITY HOME CARE SERVICES, INC.***d/b/a Quality Comprehensive Health Center***Statement of Functional Expenses****Year Ended June 30, 2019, with prior year comparative totals**

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	Year ended June 30,			2018 TOTALS
	Program Services	Management and General	TOTALS	
<b><u>EXPENSES</u></b>				
Payroll expenses	\$ 800,056	\$ 200,014	\$ 1,000,070	\$ 963,448
Contractor expense	889,415	-	889,415	798,522
Medical services	131,699	-	131,699	100,417
Rent	72,805	8,380	81,185	78,336
Insurance	66,811	27,759	94,570	38,165
Office expense	13,717	25,475	39,192	35,398
Travel and meetings	28,884	2,638	31,522	33,066
Marketing	4,923	-	4,923	28,897
Utilities	18,890	10,282	29,172	24,685
Repairs and maintenance	8,643	11,662	20,305	23,655
Professional services	53,144	15,915	69,059	22,715
Information technology	18,793	-	18,793	21,114
Supplies	18,182	-	18,182	12,358
Event expense	640	-	640	8,777
Outside services	3,255	1,786	5,041	6,527
Transportation	4,508	-	4,508	4,750
Meals and entertainment	-	-	-	3,626
Miscellaneous	832	10,047	10,879	3,520
Licenses and permits	7,451	226	7,677	3,427
Incentives	8,799	-	8,799	3,097
Depreciation	2,283	571	2,854	2,275
<b><u>TOTAL EXPENSES</u></b>	<b>\$ 2,153,730</b>	<b>\$ 314,755</b>	<b>\$ 2,468,485</b>	<b>\$ 2,216,775</b>

# **QUALITY HOME CARE SERVICES, INC.**

*d/b/a Quality Comprehensive Health Center*

## **Statement of Cash Flows**

**Year Ended June 30, 2019, with prior year comparative totals**

	Year Ended June 30,	
	2019	2018
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 9,349	\$ (45,458)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation expense	2,853	2,274
Donated fixed asset	(1,500)	-
(Increase) decrease in operating assets:		
Grant receivables	(6,277)	(11,517)
Sales tax receivable	(798)	-
Employee receivable	3,000	(3,000)
Prepaid expense	(150)	6,371
Security deposit	(12,600)	-
Increase (decrease) in operating liabilities:		
Accounts payable	24,352	(3,356)
Accrued payroll	17,870	(90)
Deferred revenue	(7,000)	7,000
<b><u>Cash Flows From Operating Activities</u></b>	<b>29,099</b>	<b>(47,776)</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of fixed assets	(6,000)	(1,018)
<b><u>Cash Flows From Investing Activities</u></b>	<b>(6,000)</b>	<b>(1,018)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Due from related party	(882,856)	(799,296)
Due to related party	889,415	798,522
Proceeds from lease obligation	47,135	-
Principal paid on lease obligation	(9,691)	-
Principal repayment of loans payable	(601)	-
<b><u>Cash Flows From Financing Activities</u></b>	<b>43,402</b>	<b>(774)</b>
<b>NET CHANGE IN CASH</b>	<b>66,501</b>	<b>(49,568)</b>
<b>CASH, BEGINNING</b>	<b>29,083</b>	<b>78,651</b>
<b>CASH, ENDING</b>	<b>\$ 95,584</b>	<b>\$ 29,083</b>

See accompanying notes to financial statements.

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# ***QUALITY HOME CARE SERVICES, INC.***

***d/b/a Quality Comprehensive Health Center***

**Notes to Financial Statements**

**June 30, 2019**

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## **NOTE A - NATURE OF OPERATIONS**

### *Organization*

Quality Home Care Services, Inc. d/b/a Quality Comprehensive Health Center, d/b/a Quality Comprehensive Health Center (the "Organization") is a North Carolina nonprofit organization established in 2005 and organized to provide personal care services to individuals with Mental Health, Development Disabilities (MH/DD), Substance Abuse, and HIV/AIDS Prevention and Care Services.

### *Funding*

The Organization is primarily funded by grants from the Centers for Disease Control and Prevention (CDC), Mecklenburg County Health Department, Rx Clinic Pharmacy, and various other organizations.

### *Purpose*

The purpose of the Organization is to promote wellness and health equity for those living with health disparities in the Carolinas.

## **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### *Basis of presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets without donor restrictions can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in day-to-day operations of the Organization and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives. Such amounts, if any, are reflected as designated net assets without donor restrictions in the accompanying statement of financial position.

*Net assets with donor restrictions* – These amounts consist of temporarily restricted net assets which are subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time. During the year, the Organization had no temporarily restricted net assets. Also included in net assets with donor restrictions are permanently restricted net assets which are subject to donor-imposed stipulations that they be maintained permanently by the Organization. During the year, the Organization had no permanently restricted net assets.

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# ***QUALITY HOME CARE SERVICES, INC.***

***d/b/a Quality Comprehensive Health Center***

**Notes to Financial Statements**

**June 30, 2019**

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## *Contributions*

The Organization accounts for contributions in accordance with GAAP. Accordingly, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is accomplished, 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. As permitted by this accounting standard, the Organization has adopted a policy to record all net assets with donor restrictions as net assets without donor restrictions if the funds were utilized in the current fiscal year.

## *Grants receivable*

Grants receivable consist of unconditional promises to give which are stated at realizable value. No discount for present value has been imputed as all grants receivable are expected to be collected during the following fiscal year. Management's determination of the allowance for doubtful accounts is based on an evaluation of the amounts receivable, past experience, current economic conditions, and other risks inherent in the receivable portfolio. At June 30, 2019, management determined no allowance was considered necessary.

## *Property and equipment*

Fixed assets exceeding \$1,000, are recorded at cost if purchased or fair value if donated. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which vary from three to ten years.

## *Donated services and goods*

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included in support at fair value. During the year, the Organization recorded \$1,500 of donated equipment. No other contributed services or donated goods were recorded.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. No amounts have been reflected in the financial statements for these contributions, as they do not meet the criteria for recognition described above.

## *Income tax status*

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation as defined by Section 509(a) of the Internal Revenue Code.

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# ***QUALITY HOME CARE SERVICES, INC.***

***d/b/a Quality Comprehensive Health Center***

**Notes to Financial Statements**

**June 30, 2019**

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## *Functional allocation of expenses*

The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and general and administrative activities. Personnel expenses are allocated based on management's estimate of time spent on the functional areas. Rent is allocated based on the estimate usage of the buildings rented. All other expenses are allocated based on an analysis by management of the various expenses that comprise those costs. Management determined that no significant expenses occurred related to fundraising activities during the year ended June 30, 2019.

## *Use of estimates*

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

## *Prior-year comparative totals*

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's 2018 financial statements, from which the summarized information was derived. Certain prior-year amounts have been reclassified to conform to the current-year presentation.

## **NOTE C - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30, 2019:

Office equipment	\$ 56,061
Building improvements	11,952
Vehicles	15,610
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Total cost	83,623
Less – accumulated depreciation	74,275
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<b>PROPERTY AND EQUIPMENT - NET</b>	<b>\$ 9,348</b>

## **NOTE D - LEASE PAYBLE**

In exchange for entering into new equipment lease, the Organization received \$47,135 from a leasing company that will be used to make payments on a previous lease as the payments are due. The Organization's lease obligations that mature are as follows:

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# ***QUALITY HOME CARE SERVICES, INC.***

*d/b/a Quality Comprehensive Health Center*

## **Notes to Financial Statements**

**June 30, 2019**

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2020	\$	12,852
2021		12,852
2022		11,740
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TOTAL	\$	37,444
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### **NOTE E - LEASE COMMITMENTS**

#### Operating leases

The Organization leases office equipment and office spaces at five locations in Charlotte, NC and Gastonia, NC. The rent expense for the year ended June 30, 2019, was \$80,396. Future minimum payments under operating leases are due during the years ending June 30:

2020	\$	45,760
2021		29,885
2022		28,285
2023		28,285
2024		7,285
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TOTAL	\$	139,500
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### **NOTE F - CONCENTRATIONS OF RISK**

#### Funding

During the year ended June 30, 2019, the Organization received the majority of its funding from a limited number of funding sources, a large amount of which is renewable annually. This represents a significant concentration of risk that operations could be affected if any of these agencies unexpectedly discontinued their funding of the Organization.

#### Government grants

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

#### Geographic area

The Organization operates in a limited geographic area and is therefore sensitive to changes in the local economy.

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# ***QUALITY HOME CARE SERVICES, INC.***

***d/b/a Quality Comprehensive Health Center***

**Notes to Financial Statements**

**June 30, 2019**

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## **NOTE G - RELATED PARTY TRANSACTIONS**

### ***The 4C Company of NC, LLC***

The Organization's Executive Director is the sole-owner of a for-profit limited liability company, the 4C Company of NC, LLC (4C). The Organization has contracted with 4C to provide activities of daily living to children and adults at a cost equal to the amount of revenue received from NCTracks, which is the State of North Carolina's Medicaid provider. Activity for the year ending June 30, 2019, was as follows:

Amount due by the Organization to 4C, July 1, 2018	\$67,020
Amounts received from NCTracks	\$889,415
Expenses paid by the Organization on behalf of 4C	\$882,856
Amount due by the Organization to 4C, June 30, 2019	\$60,461

### ***Due to Executive Director***

At June 30, 2019, the Organization owed \$41,485 to its Executive Director for unpaid salary and amounts advanced to the Organization. The Organization paid \$601 on this loan during the year ended June 30, 2019. As of the date of this report, no terms of repayment had been established, and no present value discount has been provided in the accompanying financial statements.

## **NOTE H - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.

# C. DEWITT FOARD & COMPANY, P.A.

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## INDEPENDENT AUDITORS' 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 of  
Quality Home Care Services, Inc.  
d/b/a Quality Comprehensive Health Center  
Charlotte, North Carolina

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 Quality Home Care Services, Inc. d/b/a Quality Comprehensive Health Center (the "Organization"), which comprise the statement of financial position as of June 30, 2019, 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 21, 2020.

### **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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors of  
Quality Home Care Services, Inc.  
d/b/a Quality Comprehensive Health Center  
Charlotte, North Carolina

**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 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.

*C. Dewitt Ford & Company, P.A.*

Charlotte, North Carolina  
January 21, 2020

# **C. DEWITT FOARD & COMPANY, P.A.**

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TERRY W. LANCASTER

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Quality Home Care Services, Inc.  
d/b/a Quality Comprehensive Health Center  
Charlotte, North Carolina

### **Report on Compliance for Each Major Federal Program**

We have audited Quality Home Care Services, Inc.'s d/b/a Quality Comprehensive Health Center (the "Organization") compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2019. The Organization's major federal program is 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 statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Organization's major federal program 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). Those standards and the Uniform Guidance 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 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 the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

To the Board of Directors of  
Quality Home Care Services, Inc.  
d/b/a Quality Comprehensive Health Center  
Charlotte, North Carolina

**Opinion on Each Major Federal Program**

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 its major federal programs for the year ended June 30, 2019.

**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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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. Accordingly, this report is not suitable for any other purpose.

*C. Dewitt Ford & Company, P.A.*

Charlotte, North Carolina  
January 21, 2020

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# **QUALITY HOME CARE SERVICES, INC.**

*d/b/a Quality Comprehensive Health Center*

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2019**

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## **I. Summary of Auditors' Results**

- A. An unmodified opinion was issued on the financial statements of Quality Home Care Services, Inc. (the "Organization").
- B. No significant deficiencies relating to the audit of the financial statements are reported in the "Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements In Accordance With *Government Auditing Standards*."
- C. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.
- D. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance."
- E. An unmodified opinion was issued on the Organization's compliance with the types of compliance requirements applicable to its major federal programs.
- F. Our audit disclosed no audit findings that related to the Organization's major federal programs.
- G. The major federal programs for the Organization for the fiscal year ended June 30, 2019 are:

<u>Program Name</u>	<u>CFDA#</u>
Comprehensive High-Impact HIV Prevention Projects	93.939
Ryan White HIV/AIDS Program Part C outpatient Early Intervention Services Program	93.918

- H. The threshold for determining Type A programs for the Organization is \$750,000.
- I. The Organization did not qualify as a low risk auditee under Section 200 of the Uniform Guidance.

## **II. Findings Related to the Audit of the Financial Statements**

No findings for the year ended June 30, 2019

## **III. Findings Related to the Audit of Federal Awards**

No findings for the year ended June 30, 2019

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# ***QUALITY HOME CARE SERVICES, INC.***

***d/b/a Quality Comprehensive Health Center***

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2019**

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## **IV. Summary Schedule of Prior Year Audit Findings**

### Material Weakness

#### Finding 2018-1

Criteria: Adequate review and oversight monitoring

Condition: The Organization had limited personnel during the fiscal year involved in the accounting and reporting functions.

Recommendation: A member of the Board of Directors with grant reporting knowledge should perform oversight monitoring.

Current Status: The recommendation was adopted. No similar findings were noted in the 2019 audit.

#### Finding 2018-2

Criteria: Data collection form is to be submitted 9 months from the fiscal year end date.

Condition: The data collection form was not submitted in time.

Recommendation: Recommendations were made to ensure this would not occur again.

Current Status: The recommendation was adopted. The data collection form was submitted within the required nine months from June 30, 2019.

***Quality Home Care Services, Inc.***  
***d/b/a Quality Comprehensive Health Center***  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2019**

Agency	CFDA Number	Amount Expended
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>		
Ryan White HIV/AIDS Program Part C Outpatient Early Intervention Services Program	93.918	\$ 213,835
Passed through the Health Resources and Services Administration HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A and Ryan White MAI)	93.914	150,009
Comprehensive High-Impact HIV Prevention Projects for Community-Based Organizations	93.939	354,599
Department of Health and Human Services Substance Abuse and Mental Health Services Administration	93.243	187,281
Passed through Johnson C. Smith University Collegiate Health Improvement Project	93.243	<u>9,240</u>
<b>TOTAL FEDERAL AWARDS</b>		<b><u><u>\$ 914,964</u></u></b>