

West Volusia Hospital Authority
BOARD OF COMMISSIONERS REGULAR MEETING
January 19, 2017 5:00 p.m.
DeLand City Hall Commission Chambers
120 S. Florida Avenue, DeLand, FL

AGENDA

1. Call to Order Organizational Portion of Meeting
2. Organizational Meeting
3. Organization of New Board of Commissioners
 - I. Swearing in of the new Commissioners by Honorable James R. Clayton
 - A. Commissioner Barbara Girtman
 - B. Commissioner Andy Ferrari
 - C. Commissioner Judy Craig
 - II. Election of Officers
 - A. Open floor for nomination of Chair
 1. Close nominations
 2. Hold vote for Chair
 - B. Chair continues with nominations and election of remaining officers
 1. Vice-Chair
 2. Secretary
 3. Treasurer
 - III. Organizational Matters
 - A. Motion and approval confirming location of Authority office and records remains the same
 - B. Motion and approval of time and location for Authority meetings
 1. DeLand City Hall Commission Chambers, 120 S. Florida Avenue, DeLand, FL, 5:00 p.m.
 2. Dreggors, Rigsby & Teal, P.A., 1006 N. Woodland Blvd., DeLand FL, 5 p.m.
 3. DeLand Police Department Community Room, 219 W. Howry Avenue, DeLand, FL, 5:00 p.m.
 4. Florida Hospital DeLand (FHD) 701 West Plymouth Avenue, DeLand, FL, 5:00 p.m.
 5. Florida Hospital Fish Memorial (FHFH) 1745 Sterling Blvd., Deltona, FL, 5:00 p.m.
 - C. Citizens Advisory Committee Vacancies
 - IV. Allow WVHA Commissioners short comments, concerns and requests for agenda items for regular meetings
4. Adjourn Organizational portion of meeting

W.V.H.A.
CITIZENS ADVISORY COMMITTEE
2016-2017

Judy Craig

(needs two appointees)

Kathie D. Shepard

Janice Kaumeier
699 Winterberry Trail
DeLand, FL 32724
(H) 386-740-8135
(C) 386-822-3164
jancmm@yahoo.com

(needs one appointee)

Ross N. Dickinson

Michael Ray
423 Victoria Hills Drive
DeLand, FL 32724
(H) 386-473-1070
mikeleeray@gmail.com

Sarah Prado

861 Braemar Lane
DeLand, FL 32724
msmprado@aol.com
(C) 386-747-2109
(H) 386-734-7001
(W) 386-7384078

Andy Ferrari

(needs two appointees)

Barbara Girtman

Krystal Brown
603 Ambrose Street
DeLand, FL 32720
(C) 386-717-6548
caringhomesllc@yahoo.com

Alicia Monroe

1022 West Euclid
Avenue
DeLand, FL 32720
(H) 386-624-7288
(C) 386-717-1961
Pastoramonroe1@me.com

PAST CAC

MEMBERS NOT YET
APPOINTED

Dolores Guzman
Voloria Manning

West Volusia Hospital Authority
BOARD OF COMMISSIONERS REGULAR MEETING
January 19, 2017 5:00 p.m.
DeLand City Hall Commissioner Chambers
120 S. FLORIDA AVENUE, DeLAND, FL
AGENDA (continued)

5. Call to Order Regular meeting
6. Opening Observance followed by a moment of silence
7. Approval of Proposed Agenda
8. Consent Agenda:
 - A. Approval of Minutes - Regular Meeting November 17, 2016
 - B. 2016-2017 Commissioner check signing schedule
9. Citizens Comments
10. Reporting Agenda:
 - A. POMCO November/December Report – Written Submission
 1. POMCO Eligibility Guidelines Revisions and Scheduled Timeline for Implementation
 2. Aids Drug Assistance Program (ADAP)
 - B. FQHC Report - Laurie Asbury, CEO
Northeast Florida Health Services, Inc. (NEFHS)
d/b/a Family Health Source (FHS) November/December Report
11. Discussion Items:
 - A. Approval of Management Representation Letter
 - B. James Moore & Company WVHA FYE 2016 Audit Presentation- Zach Chalifour, CPA
 - C. Commissioner Judy Craig CAC Appointee Dolores Guzman
 - D. Independent Audits required for WVHA Funded Agencies in excess of \$200K
 - E. Funded Agencies reporting patient outcomes
 - F. Community Legal Services of Mid-Florida Request of the Board to directly contact WVHA HealthCard members (Letter and email dated 12/22/2016 attached)
 - G. Tentatively Scheduled Meetings 2017 Annual Verbal Reports for newly funded agencies
 1. Global Healthcare Systems PCP and Urgent Care May 18, 2017
 2. Hispanic Health Initiative August 17, 2017
 3. Community Legal Services of Mid-Florida August 17, 2017
 - H. Site Visit Write Ups 2015-2016
 1. Rising Against All Odds HIV/Aids Outreach Services
 2. Steward-Marchman-Act (SMA) Homeless Program
 3. SMA ARNP @ THND
 - I. Site Visits 2016-2017 - DRT Engagement Letter attached
 1. Global Health Care Systems Urgent Care Services
 2. Hispanic Health Initiative
 3. Community Legal Services of Mid-Florida
 - J. Orange City African American Heritage Festival Sponsorship February 24 – 26th, 2017
 - K. Follow Up Items
 1. HS1 comparison versus POMCO denial rates January through October 2015 and January through October 2016
 2. Hill & Hollis, Enterprises Addendum 1 to WVHA Agreement
12. Finance Report
 - A. December Financials
13. Legal Update
14. Commissioner Comments
15. Adjournment

WEST VOLUSIA HOSPITAL AUTHORITY
WVHA BOARD OF COMMISSIONERS REGULAR MEETING
DeLand City Hall Commission Chambers
120 S. Florida Avenue, DeLand FL
November 17, 2016
5:00 P.M.

Those in Attendance:

Commissioner Robert Mann
Commissioner Barb Girtman
Commissioner Andy Ferrari
Commissioner Ross Dickinson
Commissioner Kathie D. Shepard

CAC Present:

Judy Craig
Dolores Guzman
Michael Ray

Others Present:

Attorney for the Authority: Ted Small, Law Office of Theodore W. Small, P.A.
Accountant for the Authority: Al Powers, Dreggors, Rigsby & Teal, P.A.
Administrative Support: Eileen Long, DRT

Call to Order

Chair Girtman called the meeting to order. The meeting took place at DeLand City Hall, 120 S. Florida Avenue, DeLand, Florida, having been legally noticed in the Daytona Beach News-Journal, a newspaper of general circulation in Volusia County. Chair Girtman opened the meeting with a moment of silence followed by The Pledge of Allegiance.

Approval of Proposed Agenda

Chair Girtman requested that Discussion item 9. G. 1. Marketing Strategies and Commissioner Recommendations be moved up on the agenda to become new Discussion item 9. B. and she noted that there was the addition of agenda item 9. G. 1. New WVHA Money Market Account at Mainstreet Community Bank.

Motion 122 – 2016 Commissioner Ferrari motioned to approve the amended agenda as described by Chair Girtman. Commissioner Mann seconded the motion. The motion passed unanimously.

Consent Agenda

Approval of Minutes – Regular Meeting October 20, 2016

Motion 123 – 2016 Commissioner Ferrari motioned to approve the consent agenda/Regular Meeting Minutes of October 20, 2016, with errata sheet changes (attached). Commissioner Dickinson seconded the motion. The motion passed unanimously.

Citizens Comments

There was one.

Citizen Advisory Committee, Judy Craig, Chair

**Update from CAC Meeting November 15, 2016 and CAC recommendations
for new services access application**

**Global Youth & Community Programs, Inc.
Disability Solutions for Independent Living**

Ms. Long stated that she provided a copy of the preliminary meeting minutes from the CAC Meeting of November 15, 2016.

Mr. Michael Ray, CAC Vice-Chair addressed the Board explaining the outcomes from the meeting held on Tuesday, November 15, 2016. The CAC did not recommend funding for Global Youth and Community Programs; however, the CAC did recommend partial funding for Disability Solutions for Independent Living. It was understood that Disability Solutions for Independent Living could not proceed with their proposed program at partial funding.

Reporting Agenda

POMCO October 2016 Report – Written Submission

There was Board discussion regarding the WVHA HealthCard application denial rates and Ms. Long was asked to bring back a comparison between the denial rates from the previous Third Party Administrator (TPA), HS1 and the current TPA for the same time period, January through October, respectively.

Mr. Small addressed the POMCO submitted schedule and process of WVHA Eligibility Guidelines (EG) recommended changes. During the pre-meeting with the Chair, DRT and Mr. Small, the consensus was that there would be a review of the EG's beginning in March of every year, after Board review and deliberation, the newly adopted amendments would take place in June of each year.

FQHC Report - Laurie Asbury, CEO

**Northeast Florida Health Services, Inc. d/b/a Family Health Source
(FHS) October Report**

There was not any Board discussion in regards to the NEFHS October report.

Hospital Quarterly Report

**Florida Hospital DeLand (FHD) – Lorenzo Brown, CEO and/or Nigel Hinds,
CFO**

Mr. Nigel Hinds, CFO, FHD presented the FHD quarterly update advising the Board that FHD this Fall was rated with an A by the Leap Frog Group, the National patient safety “watch dog” group.

Florida Hospital Fish Memorial (FHFM) – Rob Deininger, CEO and/or Eric Ostarly, CFO

Mr. Rob Deininger, CEO, FHFM addressed the Board presenting their quarterly report to the Board. Mr. Deininger stated that FHFM too received an A from the Leap Frog Group this Fall. FHFM is currently undergoing a renovation and expansion of their rehabilitation space, combining physical therapy, cardiac therapy and occupational therapy into one large operation. Later this month they are kicking off a community gardening project, to get in touch with the health of the community with a true community partnering project right on the property of the hospital.

Discussion Items

Funding Agreements 2016 – 2017 per Final Budget Resolution 2016-008

- 1. Florida Department of Health (FDOH) Dental Services (electronic copy)**
- 2. Hispanic Health Initiative (attached)**

Mr. Small recommended approval as to form for the two funding agreements presented.

Motion 124 – 2016 Commissioner Dickinson motioned to approve the funding agreements as presented. Commissioner Mann seconded the motion. The motion passed unanimously.

Marketing Strategies and Commissioner Recommendations

The Board paused the discussion regarding marketing strategies while Ms. Long went out of the room to let Commissioner Shepard in the locked doors. During the pause, Commissioner Ferrari requested to amend the agenda to move John Fleemin, City of Deltona Firefighter Paramedic up on the agenda, as they were actively on duty.

Motion 125 – 2016 Commissioner Ferrari motioned to move John Fleemin up to follow after Marketing Solutions to new agenda item 9. C. Commissioner Mann seconded the motion. The motion passed unanimously.

There was Board discussion and consent that they were each considering accepting the marketing strategies as presented by Hill & Hollis, Enterprises, with a collaboration with Deltona High School (DHS) for those printing jobs that DHS can provide.

5:41 p.m. Commissioner Shepard arrived to the meeting.

Commissioner Shepard apologized for her late arrival and asked to be brought up to speed as to the process of tonight's meeting.

Chair Girtman brought Commissioner Shepard up to speed and stated that her personal recommendation was to accept the Hill & Hillis proposal as well as coordination with DHS.

Commissioner Shepard cautioned that she couldn't support approving marketing strategies at this time. WVHA HealthCard membership has gone up and there are too many unknowns with healthcare in the immediate future.

Commissioner Shepard wanted to note for the public record that the Board was anticipating approving \$99,500.00 for marketing strategies and she felt that this was an astounding amount of money. She felt that this was an environment where the Board should not be brining attention to themselves and that there are too many individuals who want to abolish the WVHA taxing district and other taxing districts within the state.

Chair Girtman and Commissioner Dickinson both stated that they felt that the WVHA was in greater jeopardy by holding onto reserves and not demonstrating that there is a true and extended need in the community and in identifying those unmet needs within the community.

Motion 126 – 2016 Commissioner Ferrari motioned to approve the agreement as presented by Hill & Hollis, Enterprises. Commissioner Dickinson seconded the motion.

Commissioner Shepard requested that the dollar amount be included within the motion.

Motion 126 – 2016 (AMENDED) Commissioner Ferrari amended his motion to approve the agreement as presented by Hill & Hollis, Enterprises in the amount of \$99,500.00. Commissioner Dickinson seconded the amended motion.

Commissioner Shepard further requested that Hill & Hillis, Enterprises include DHS as a printing partner when possible within the contract.

Commissioner Ferrari withdrew his motion and amended motion 126 -2016 to restate a new motion to clarify.

Motion 127 – 2016 Commissioner Ferrari motioned to approve the Hill & Hollis, Enterprises agreement in the amount of \$99,500.00 and insert in the contractual language that they will utilize DHS as part of their marketing strategy for the WVHA. Commissioner Dickinson seconded the motion. Commissioners Ferrari, Dickinson, Girtman and Mann voted in the affirmative, Commissioner Shepard was opposed. The motion carried.

John Fleemin, City of Deltona Firefighter Paramedic-Community Paramedicine Mobile Integrated Healthcare Program

Mr. John Fleemin, City of Deltona, Firefighter/Paramedic addressed the Board describing a Community Paramedicine Mobile Integrated Healthcare Program that the City of Deltona was hoping to launch in the near future. They are seeking community support in launching this program. They are striving to reduce hospital recidivism, become community paramedicine gate keepers, target and bridge the gap from discharge to home care, identify the under insured or those with exhausted coverage, and supplement the current healthcare industry for the mutual benefit of all parties.

There was Board discussion and clarification that the City of Deltona Firefighter/Paramedic Department was not seeking funding at this time; they are seeking community support and they are seeking the WVHA Board of Commissioners support.

Mr. Small cautioned that the Board could state that they are supportive of the concept and the proposed effort as presented provisionally during tonight's meeting.

Motion 128 – 2016 Commissioner Ferrari motioned to provisionally support the City of Deltona Firefighter/Paramedic-Community Paramedicine Mobile Integrated Healthcare Program, also known as the “Fenix Program”. Commissioner Mann seconded the motion. The motion passed unanimously.

One Voice for Volusia annual membership fee of \$100.00

Motion 129 – 2016 Commissioner Dickinson motioned to approve the \$100.00 annual membership fee for One Voice for Volusia. Commissioner Mann seconded the motion. The motion passed unanimously.

Martin Luther King, Jr. (MLK) Weekend Celebration January 13-16, 2017

Chair Girtman requested that the Board approve \$2,500.00 for the MLK, Jr. Weekend Celebration.

Motion 130 – 2016 Commissioner Mann motioned to approve \$2,500.00 for the MLK, Jr. Weekend Celebration. Commissioner Dickinson seconded the motion.

Commissioner Shepard stated that she has placed a call to the Commission on Ethics to inquire if the Board is in violation of accepting the tickets for the dinner or the breakfast. Commissioner Shepard did not believe that the WVHA realized any benefit from this sponsorship last year and that Commissioner Mann was not afforded enough time to speak at the event on behalf of the WVHA last year. Further, she would prefer that the tickets be donated to WVHA funded agencies.

Commissioners Ferrari, Dickinson, Girtman and Mann voted in the affirmative, Commissioner Shepard was opposed. The motion carried.

Mr. Small suggested that the Board should decide during tonight’s meeting how they want the tickets delivered and to whom.

Motion 131 – 2016 Commissioner Shepard motioned that whomever is representing the WVHA can receive the tickets for themselves and a guest, but the remainder of the tickets shall be donated to the WVHA funded agencies. Commissioner Mann seconded the motion. The motion passed unanimously.

Commissioner Ferrari volunteered to represent the WVHA at the Friday evening event at the DeLand Museum of Art at 6:00 p.m.

Commissioner Shepard asked Commissioner Elect Judy Craig if she would be available to represent the WVHA for the Monday, January 16, 2017 breakfast, at Stetson Rinker Field House at 11:00 a.m.

Commissioner Elect Judy Craig stated that she could represent the WVHA at the MLK Annual Breakfast.

Mr. Small reminded the Board that they hired professionals, Hill & Hollis and perhaps they would want the professionals to represent them at this event. Mr. Small said that he would speak with Hill & Hollis about this matter.

Site Visit Write Ups 2015 – 2016

**Florida Department of Health (FDOH) – Emergency Dental Services
The House Next Door (THND) – Therapeutic Services
The Neighborhood Center (TNC) – Outreach Services**

Mr. Al Powers reviewed the contractual site visit write ups for the Board.

**Promontory/ICS Program/Intracoastal Bank (email dated 11/8/16 attached)
New WVHA Money Market Account at Mainstreet Community Bank**

Mr. Powers explained that Intracoastal Bank wanted to reduce their exposure to government deposits and would like to only hold up to \$10 million of the WVHA funds. After reviewing the options as laid out by Intracoastal, it was determined that those options, i.e. Promontory/ICS Program were unworkable. Therefore, DRT contacted Mainstreet Community Bank, who has now obtained the qualified public depository status required for governmental deposits and they are interested in holding \$10 million of the WVHA funds in a new Money Market Account.

Mr. Small explained that the Board has before them Resolution 2016 – 009 and it was his recommendation that the Board approve this provisionally and subject to Mainstreet Community Bank (MCB) and Attorney Small coming to agreement contingent upon 7 changes that Mr. Small has submitted to MCB.

Motion 132 – 2016 Commissioner Ferrari motioned to provisionally approve Resolution 2016 – 009 to open a Money Market Account at Mainstreet Bank. Commissioner Dickinson seconded the motion.

Mr. Small noticed one change was required in the third paragraph where it references the language “entire balance” and that needs to be deleted from the Resolution.

Motion 132 – 2016 (AMENDED) Commissioner Ferrari amended his motion to provisionally approve Resolution 2016 – 009 to open a Money Market Account at Mainstreet Bank, removing the language “entire balance” from the third paragraph. Commissioner Dickinson seconded the motion. The motion passed unanimously.

Follow Up Items

- **West Plymouth Avenue Restriping Parking Lot \$989.48**

Commissioner Shepard asked if the other issues with the parking lot had been addressed; the drainage issues, the potholes in the parking lot and the liability regarding those parking lot issues.

Mr. Small was not clear if these issues have been addressed but he or Ms. Long could follow up with the architectural committee.

Motion 133 – 2016 Commissioner Dickinson motioned to approve the West Plymouth Avenue restriping of the parking lot in the amount of \$989.48. Commissioner Mann seconded the motion. The motion passed unanimously.

Financial Report

Mr. Al Powers, DRT reviewed for the Board the October financial statements (See attached).

Motion 134 - 2016 Commissioner Shepard motioned to pay bills totaling \$3,473,613.19 (See attached). Commissioner Dickinson seconded the motion. The motion passed unanimously.

Legal Update

Mr. Theodore Small submitted his legal update memorandum dated November 8, 2016 (See attached).

Commissioner Comments

There being no further business to come before the Board, the meeting was adjourned.

Adjournment

Barb Girtman, Chair

Tenatative schedule for weekly accounts payables by months

SCHEDULE FOR 2017

MONTH	COMMISSIONERS	MONTH	COMMISSIONERS
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JANUARY	
THURS 1/5	FERRARI/DICKINSON

Board Meeting 1/19/2017

FEBRUARY	
THURS 2/2	DICKINSON/CRAIG

Board meeting 2/16/2017

MARCH	
THURS 3/2	CRAIG/GIRTMAN

Board Meeting 3/16/2017

THURS 3/30 GIRTMAN/SHEPARD

APRIL	
THURS 4/13	SHEPARD/FERRARI

Board Meeting 4/20/2017

MAY	
THURS 5/4	FERRARI/DICKINSON

Board Meeting 5/18/2017

JUNE	
THURS 6/1	DICKINSON/CRAIG

Board Meeting 6/15/2017

THURS 6/29 CRAIG/GIRTMAN

JULY	
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Board Meeting 7/20/2017

AUGUST	
THURS 8/3	GIRTMAN/SHEPARD

Board Meeting 8/17/2017

THURS 8/31	SHEPARD/FERRARI
SEPTEMBER	

THURS 9/7 FERRARI/DICKINSON

THURS 9/21 DICKINSON/CRAIG

OCTOBER	
THURS 10/5	CRAIG/GIRTMAN

Board Meeting 10/19/2017

NOVEMBER	
THURS 11/2	GIRTMAN/SHEPARD

Board Meeting 11/16/2017

THANKSGIVING

THURS 11/30 SHEPARD/FERRARI

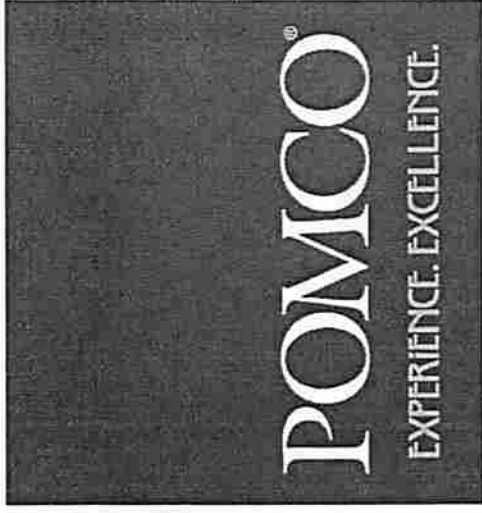
DECEMBER	
THURS 12/14	FERRARI/DICKINSON

THURS 12/28 DICKINSON/CRAIG
CHRISTMAS & NEW YEARS
NO PAYABLES UNTIL THURSDAY 1/11/2018

2017	
JANUARY	

THURS 1/11 CRAIG/GIRTMAN

Board Meeting 1/18/2018



POMCO

December 2016

Submission Report for WVHA Board Members

Table of Contents

Enrollment Processing	3
Applications Received by Fiscal Year for the Period of 10/1/2016 to Present	3
Applications Processed by Fiscal Year – Approval Percentage	3
Enrollment Applications – Denial Summary Report	4
WVHA Health Card Program Eligibility – by Calendar Month – as of December 1, 2016.....	5
WVHA Enrollment by Fiscal Year – as of December 1, 2016	6
Medical and Prescription Drug Claim Data	7
Pharmacy Claims by Fiscal Year by Service Month (Month Prescription Filled).....	7
Combined Medical Costs (as of Claims Payment through 11/30/2016).....	8
PCP Encounter Claims by Clinic by Month (as of Claims Payment through 11/30/2016)	9

Enrollment Processing

Applications Received by Fiscal Year for the Period of 10/1/2016 to Present

Applications Received 10/01/2016 - Present						
FiscalYr	Month Received	APPROVED	DENIED	PENDING	Grand Total	Approval Percentage
FY1617	201610	230	33	7	270	85.19%
	201611	165	16	34	215	76.74%
	201612				0	0.00%
	201701				0	0.00%
	201702				0	0.00%
	201703				0	0.00%
	201704				0	0.00%
	201705				0	0.00%
	201706				0	0.00%
	201707				0	0.00%
Grand Total		395	49	41	485	81.44%

Fiscal Year	Applications Processed	Average Approval Percentage
FY1516	2670	82.28%
FY1617	485	81.44%
Based on Fiscal year		

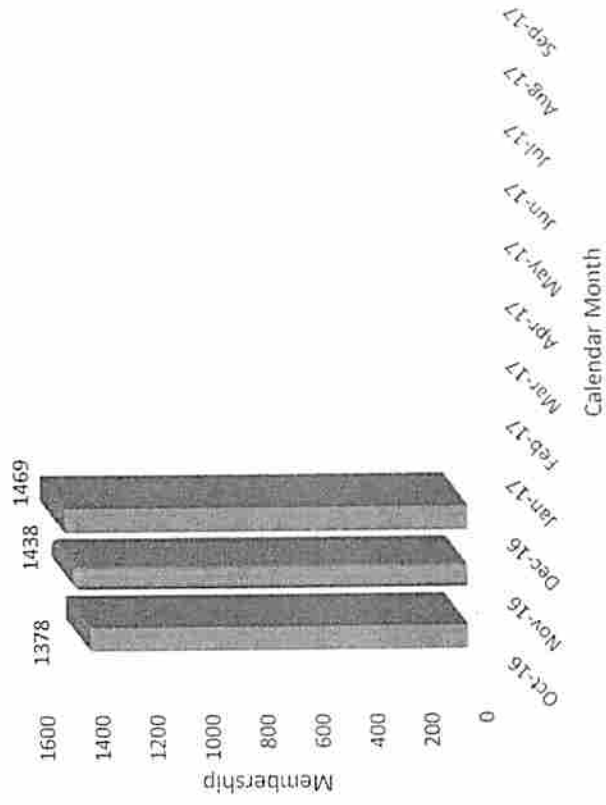
Applications Processed by Fiscal Year – Approval Percentage

Enrollment Applications – Denial Summary Report

Period	Approved		Denied		Pending		Total Apps
	Apps	Pctg	Apps	Pctg	Apps	Pctg	
FY1617	395	81.44%	49	10.10%	41	8.45%	485
201610	230	85.19%	33	12.22%	7	2.59%	270
Active Eligible	230	100.00%		0.00%		0.00%	230
Terminated - MEMBER HAS MEDICAID COVERAGE		0.00%	1	100.00%		0.00%	1
Declined - Not Elig for Plan		0.00%	31	100.00%		0.00%	31
Terminated - ACA PREM COST <8% INCOME		0.00%	1	100.00%		0.00%	1
Pending - Multiple Reasons		0.00%		0.00%	7	100.00%	7
201611	165	76.74%	16	7.44%	34	15.81%	215
Active Eligible	165	100.00%		0.00%		0.00%	165
Declined - Member Exceeds Asset Level		0.00%		0.00%		0.00%	0
Declined - Not Elig for Plan		0.00%	16	100.00%		0.00%	16
Terminated - Req'd Documentation Missing		0.00%		0.00%		0.00%	0
Pending - Multiple Reasons		0.00%		0.00%	34	100.00%	34

Note that because patients can and do become eligible and/or terminate every day of the month, when reporting by month, the most current status only will be reflected on the monthly reports. If a member is approved but then is denied/terminated in the same or subsequent month, the status of denied/terminated will be reported and the approved status will be removed.

WVHA Health Card Program Eligibility – by Calendar Month – as of December 1, 2016



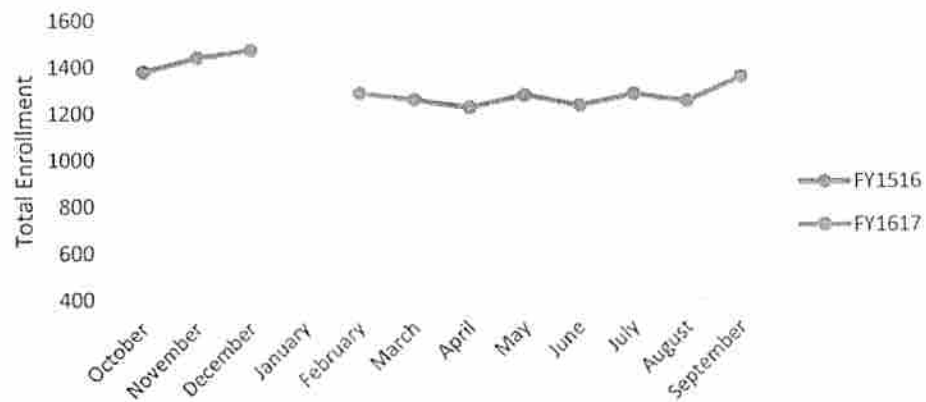
Eligibility reported above reflects eligibility as of the first of each month.

As of December 1, 2016, total program eligibility was 1,469 patients.

WVHA Enrollment by Fiscal Year – as of December 1, 2016

WVHA Enrollment By Fiscal Year

Month of Fiscal Year	FY1617
October	1,378
November	1,438
December	1,469
January	
February	
March	
April	
May	
June	
July	
August	
September	
Grand Total	4,285



Medical and Prescription Drug Claim Data

Pharmacy Claims by Fiscal Year by Service Month (Month Prescription Filled)

Month	FY1617				
	Drug Costs	Dispensing Fee Less Copayments	Total Costs	Total Rx's Filled	Avg Cost Per Rx
October	\$21,581.37	\$32,676.00	\$54,257.37	2,334	\$23.25
November	\$19,925.44	\$34,818.00	\$54,743.44	2,487	\$22.01
December					
January					
February					
March					
April					
May					
June					
July					
August					
September					
Grand Total	\$41,506.81	\$67,494.00	\$109,000.81	4,821	\$22.61

Combined Medical Costs (as of Claims Payment through 11/30/2016)

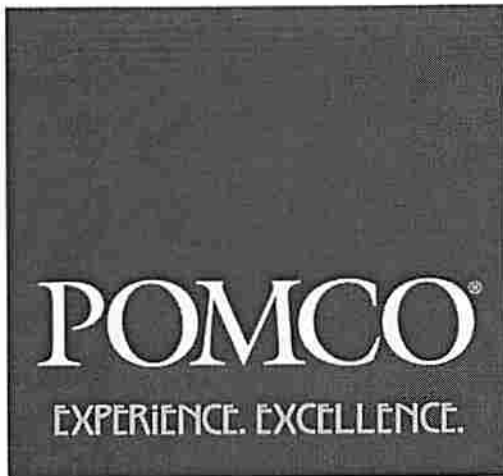
Fiscal Year	Hospital	Lab	PCP	Specialty	Facility Physicians	Pharmacy	Total Costs	Member Months	Overall Per Member Per Month (PMPM)	Hospital PMPM	Lab PMPM	PCP PMPM	Specialty PMPM	Pharmacy PMPM
FY1617	\$733,821.35	\$51,338.26	\$104,030.75	\$488,622.60	\$55,598.88	\$114,227.00	\$1,493,381.47	2,816	\$530.32	\$260.59	\$18.23	\$36.94	\$173.52	\$40.56
October	\$436,938.88	\$22,404.35	\$59,210.80	\$242,154.19	\$25,870.70	\$59,969.63	\$846,548.55	1,378	\$614.33	\$317.08	\$16.26	\$42.97	\$175.73	\$43.52
November	\$296,882.47	\$28,933.91	\$44,819.95	\$246,468.41	\$29,728.18	\$54,257.37	\$646,832.92	1,438	\$449.81	\$206.46	\$20.12	\$31.17	\$171.40	\$37.73
December														
January														
February														
March														
April														
May														
June														
July														
August														
September														
Grand Total	\$733,821.35	\$51,338.26	\$104,030.75	\$488,622.60	\$55,598.88	\$114,227.00	\$1,493,381.47	2,816	\$530.32	\$260.59	\$18.23	\$36.94	\$173.52	\$40.56

Medical and pharmacy costs are reported on a paid basis

PCP Encounter Claims by Clinic by Month (as of Claims Payment through 11/30/2016)

Month	FY1617				Total
	NEFHS Deland	NEFHS Deltona	NEFHS Pierson	NEFHS Stone Street	
October	0	225	292	0	517
November	0	152	219	0	371
Grand Total	0	377	511	0	888

PCP encounter claims are reported on a paid basis



POMCO

January 19, 2016

Submission Report for WVHA Board Members

Table of Contents

Enrollment Processing	3
Applications Received by Fiscal Year for the Period of 10/1/2016 to Present	3
Applications Processed by Fiscal Year – Approval Percentage	3
Enrollment Applications – Denial Summary Report	4
WVHA Health Card Program Eligibility – by Calendar Month – as of January 1, 2017	5
WVHA Enrollment by Fiscal Year – as of January 1, 2017.....	6
Medical and Prescription Drug Claim Data	7
Pharmacy Claims by Fiscal Year by Service Month (Month Prescription Filled).....	7
Combined Medical Costs (as of Claims Payment through 12/31/2016).....	8
PCP Encounter Claims by Clinic by Month (as of Claims Payment through 12/31/2016)	8

Enrollment Processing

Applications Received by Fiscal Year for the Period of 10/1/2016 to Present

Applications Received 10/01/2016 - Present						
FiscalYr	Month Received	APPROVED	DENIED	PENDING	Grand Total	Approval Percentage
FY1617	201610	232	47	0	279	83.15%
	201611	202	30	18	250	80.80%
	201612	225	16	83	324	69.44%
	201701				0	0.00%
	201702				0	0.00%
	201703				0	0.00%
	201704				0	0.00%
	201705				0	0.00%
	201706				0	0.00%
	201707				0	0.00%
Grand Total		659	93	101	853	82.04%

Fiscal Year	Applications Processed	Average Approval Percentage
FY1516	2670	82.28%
FY1617	853	82.04%

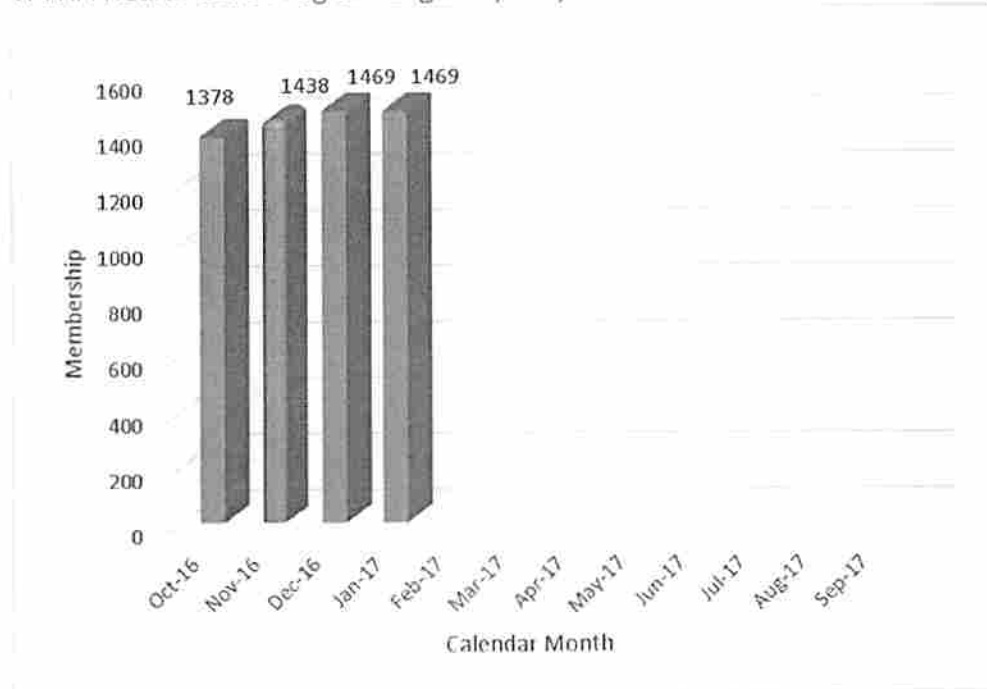
Applications Processed by Fiscal Year – Approval Percentage

Enrollment Applications – Denial Summary Report

Period	Approved Apps	Pctg	Denied Apps	Pctg	Pending Apps	Pctg	Total Apps
FY1617	434	82.04%	77	14.56%	18	3.40%	529
201610	232	83.15%	47	16.85%	0	0.00%	279
Active Eligible	232	100.00%		0.00%		0.00%	232
Terminated - MEMBER HAS MEDICAID COVERAGE		0.00%	1	100.00%		0.00%	1
Declined - Not Elig for Plan		0.00%	43	100.00%		0.00%	43
REQUIRED DOCUMENTATION MISSING		0.00%	3	100.00%		0.00%	3
Pending - Multiple Reasons		0.00%		0.00%			0
201611	202	80.80%	30	12.00%	18	7.20%	250
Active Eligible	202	100.00%		0.00%		0.00%	202
Declined - Member Exceeds Asset Level		0.00%		0.00%		0.00%	0
Declined - Not Elig for Plan		0.00%	30	100.00%		0.00%	30
Terminated - Req'd Documentation Missing		0.00%		0.00%		0.00%	0
Pending - Multiple Reasons		0.00%		0.00%	18	100.00%	18
201612	225	69.44%	16	4.94%	83	25.62%	324
Active Eligible	225	100.00%		0.00%		0.00%	225
Declined - Member Exceeds Asset Level		0.00%		0.00%		0.00%	0
Declined - Not Elig for Plan		0.00%	16	100.00%		0.00%	16
Terminated - Req'd Documentation Missing		0.00%		0.00%		0.00%	0
Pending - Multiple Reasons		0.00%		0.00%	83	100.00%	83

Note that because patients can and do become eligible and/or terminate every day of the month, when reporting by month, the most current status only will be reflected on the monthly reports. If a member is approved but then is denied/termed in the same or subsequent month, the status of denied/termed will be reported and the approved status will be removed.

WVHA Health Card Program Eligibility – by Calendar Month – as of January 1, 2017

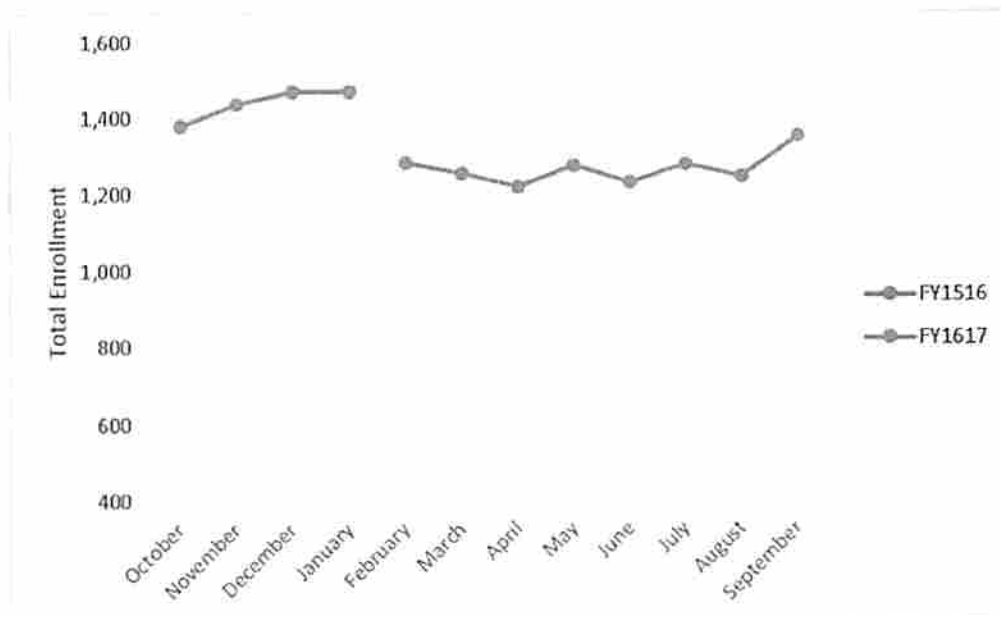


Eligibility reported above reflects eligibility as of the first of each month.

As of January 1, 2017, total program eligibility was 1,469 patients.

WVHA Enrollment by Fiscal Year – as of January 1, 2017

WVHA Enrollment By Fiscal Year	
Month of Fiscal Year	FY1617
October	1,378
November	1,438
December	1,469
January	1,469
February	
March	
April	
May	
June	
July	
August	
September	
Grand Total	5,754



Medical and Prescription Drug Claim Data

Pharmacy Claims by Fiscal Year by Service Month (Month Prescription Filled)

Month	FY1617				
	Drug Costs	Dispensing	Total Costs	Total	Avg
		Fee Less Copayments		Rx's Filled	Cost Per Rx
October	\$21,581.37	\$32,676.00	\$54,257.37	2,334	\$23.25
November	\$19,925.44	\$34,818.00	\$54,743.44	2,487	\$22.01
December					
January					
February					
March					
April					
May					
June					
July					
August					
September					
Grand Total	\$41,506.81	\$67,494.00	\$109,000.81	4,821	\$22.61

Combined Medical Costs (as of Claims Payment through 12/31/2016)

Fiscal Year	Hospital	Lab	PCP	Specialty	Facility Physicians	Pharmacy	Total Costs	Member Months	Overall Per Member Per Month (PMPM)	Hospital PMPM	Lab PMPM	PCP PMPM	Specialty PMPM	Pharmacy PMPM
FY1617	\$1,274,023.01	\$63,742.84	\$137,661.50	\$699,020.62	\$72,024.53	\$168,970.44	\$2,415,442.94	4,285	\$563.70	\$297.32	\$14.88	\$32.13	\$163.13	\$39.43
October	\$436,938.88	\$22,404.35	\$59,210.80	\$242,154.19	\$25,870.70	\$59,969.63	\$846,548.55	1,378	\$614.33	\$317.08	\$16.26	\$42.97	\$175.73	\$43.52
November	\$296,882.47	\$28,933.91	\$44,819.95	\$246,468.41	\$29,728.18	\$54,257.37	\$701,090.29	1,438	\$487.55	\$206.46	\$20.12	\$31.17	\$171.40	\$37.73
December	\$540,201.66	\$12,404.58	\$33,630.75	\$210,398.02	\$16,425.65	\$54,743.44	\$867,804.10	1,469	\$590.74	\$367.73	\$8.44	\$22.89	\$143.23	\$37.27
Grand Total	\$1,274,023.01	\$63,742.84	\$137,661.50	\$699,020.62	\$72,024.53	\$168,970.44	\$2,415,442.94	4,285	\$563.70	\$297.32	\$14.88	\$32.13	\$163.13	\$39.43

Medical and pharmacy costs are reported on a paid basis

PCP Encounter Claims by Clinic by Month (as of Claims Payment through 12/31/2016)

Month	FY1617				Total
	NEFHS Deland	NEFHS Deltona	NEFHS Pierson	NEFHS Stone Street	
October	0	225	292	0	517
November	0	152	219	0	371
December	0	76	134	0	210
Grand Total	0	453	645	0	1,098

PCP encounter claims are reported on a paid basis



POMCO

January 19, 2017 Replacement of November 17, 2016
Submission

Revised Recommendations for WVHA Board Approval



Revised - Suggested Schedule & Process of WVHA Eligibility Guideline Recommended Changes

This is a revised recommendation per discussion on November 17, 2016 with Ted Small. Revised elements from the November WVHA Board report submission are indicated in *italics* and *shaded*.

To ensure that POMCO maintains a stable and sound guide by which to formulate consistent and accurate interpretations of the WVHA eligibility guidelines, POMCO is recommending the following process and schedule for WVHA Board approval.

Purpose

To create and follow a consistent process and schedule for the review of WVHA eligibility guidelines and to ensure authorized parties have an opportunity to review POMCO's recommendations and recommend their own suggestions for POMCO's review and possible submission for WVHA Board approval.

Schedule

There will be an *annual* review and submission of eligibility guideline recommendations beginning January 2017. *POMCO will compile the changes and submit for the March Board meetings each year for Board review, deliberation, etc. Final voting to be conducted by the May regular Board meeting and the newly approved recommended changes would take effect in June each year; provided that Board would consider amending the WVHA Eligibility Guidelines more frequently than on an annual basis if demonstrated by POMCO and/or other proposers that such action is necessary to fulfill the purposes of the WVHA Health Card program.*



Process

POMCO will review related trends, internal concerns and suggestions a month prior to the schedule noted above. POMCO will also engage with The House Next Door and other authorized parties to discuss any trends or recommendations from their perspective and formulate an official list of recommendations for the WVHA Board approval during their regularly scheduled meeting as noted above.

Authorized Parties

Parties authorized to submit recommendations for POMCO's review will include *WVHA Board Members, DRT*, The House Next Door, NEFHS and Ted Small.

POMCO will not accept any WVHA eligibility recommended changes from the provider community, i.e. specialist, since they might not be making eligibility guideline recommendations in the best interest of the WVHA Health Card program.

Framework

Authorized parties will need to provide the context/framework of their recommended changes using the following criteria:

- What was the trigger or background story that led to the recommendation
- How does the recommendation help the potential Health Card member or the Health Card program
- How does the current eligibility guidelines impact the background story that led to the recommendation



POMCO Review Criteria

POMCO's review of its own recommended changes along with the recommended changes from authorized parties will be based on the following:

- Does the recommendation still follow the main eligibility criteria
 - Residency
 - Income & Assets
 - WVHA Health Card as payer of last resort
- Does the recommendation contradict any other area of the eligibility guidelines
- Is there any potential cost impact to the recommendation



POMCO

January 19, 2016

Recommendations for WVHA Board Approval



Recommended Exception for The AIDS Drugs Assistance Program (ADAP) Coverage as a Disqualifier for the WVHA Health Card Program

This is a joint recommendation from both POMCO and The House Next Door for the WVHA Board to consider Health Card applicants enrolled in the Florida Health AIDS Drugs Assistance Program (ADAP) as still being eligible for the WVHA Health Card program.

Overview of Program

The ADAP provides HIV/AIDS medication to low-income individuals who are living with HIV and have limited or no health coverage from private insurance, Medicaid or Medicare. In addition, this program provides disease management training as well as other information exclusive to their HIV/AIDS diagnosis. ADAP does not cover medical care.

Reason for Recommendation

As noted on Page 5 of the current WVHA Eligibility Guidelines, Section 2.02, *"WVHA is the payer of last resort and assists patients with no medical benefits. Patients that have health coverage are excluded from the program."*

As of the date of this recommendation, POMCO has received one application where an applicant is enrolled in ADAP. The application has been pended for further review until the WVHA board makes a determination on this recommendation. The applicant fits all other eligibility requirements set forth by the WVHA Eligibility Guidelines. Since the ADAP is exclusive to HIV/AIDS medication and not covering other medical expenses, POMCO and THND would like to WVHA Board to consider this program as an exemption to the guidelines outlined on Page 5 & noted above.

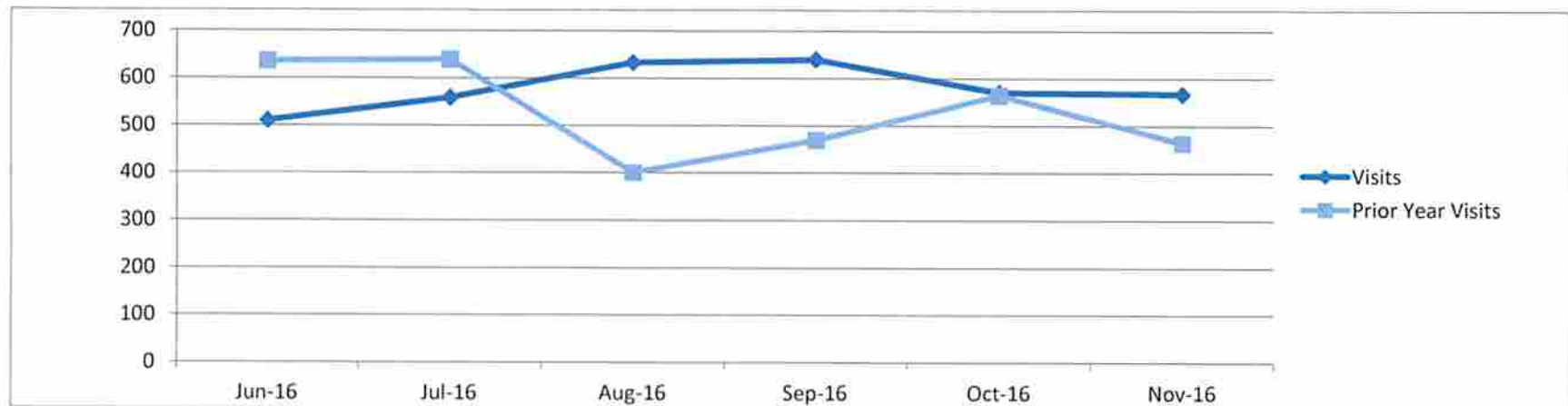


Northeast Florida Health Services

November-16

Patient Visits

	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Visits	510	558	632	639	570	567
Prior Year Visits	635	638	401	470	564	464



Patient Visits by Location

Location	Sep-16	Oct-16	Nov-16			
Deland Medical	254	220	245			
Deltona Medical	287	250	234			
Pierson Medical	98	100	78			
Total	639	570	567			

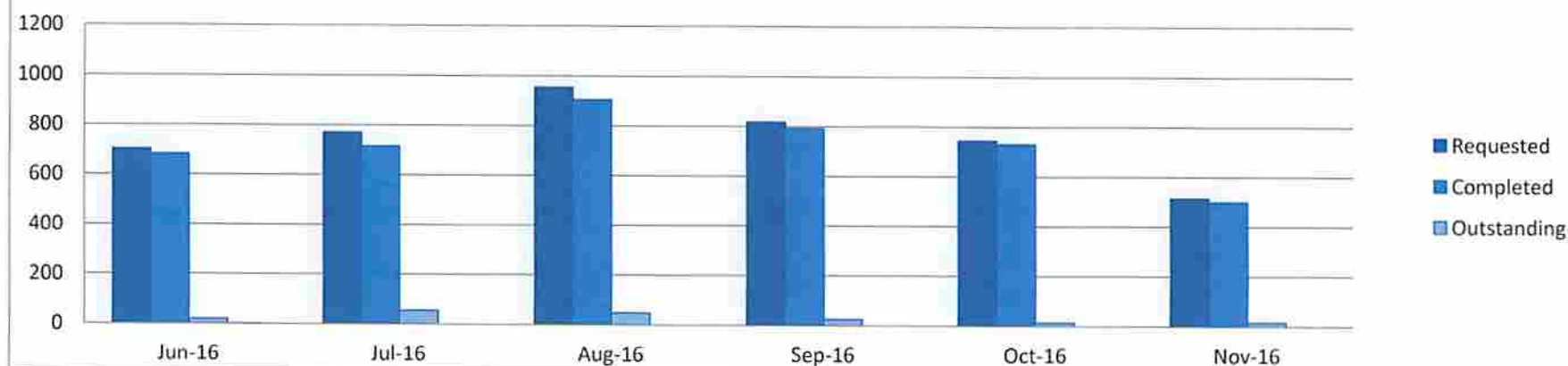
Patient Visits: Saturday Walk-ins (DeLand)

Date	Scheduled	Walk-ins	No Shows	R/S	Cancel	Total Seen
9/3/2016	11	0	0	0	0	11
9/10/2016	0	0	0	0	0	0
9/17/2016	12	0	0	2	0	10
9/24/2016	0	0	0	0	0	0
10/1/2016	3	0	0	3	0	0
10/15/2016	4	0	0	0	0	4
10/22/2016	0	0	0	0	0	0
10/29/2016	0	0	0	0	0	0
11/5/2016	3	0	0	3	0	0
11/12/2016	4	0	0	0	0	4
11/19/2016	0	0	0	0	0	0
11/26/2016	0	0	0	0	0	0
	0	0	0	0	0	0

Referrals

	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Requested	702	769	954	817	743	515
Completed	682	714	905	791	730	501
Outstanding	20	55	49	26	13	17

Referrals

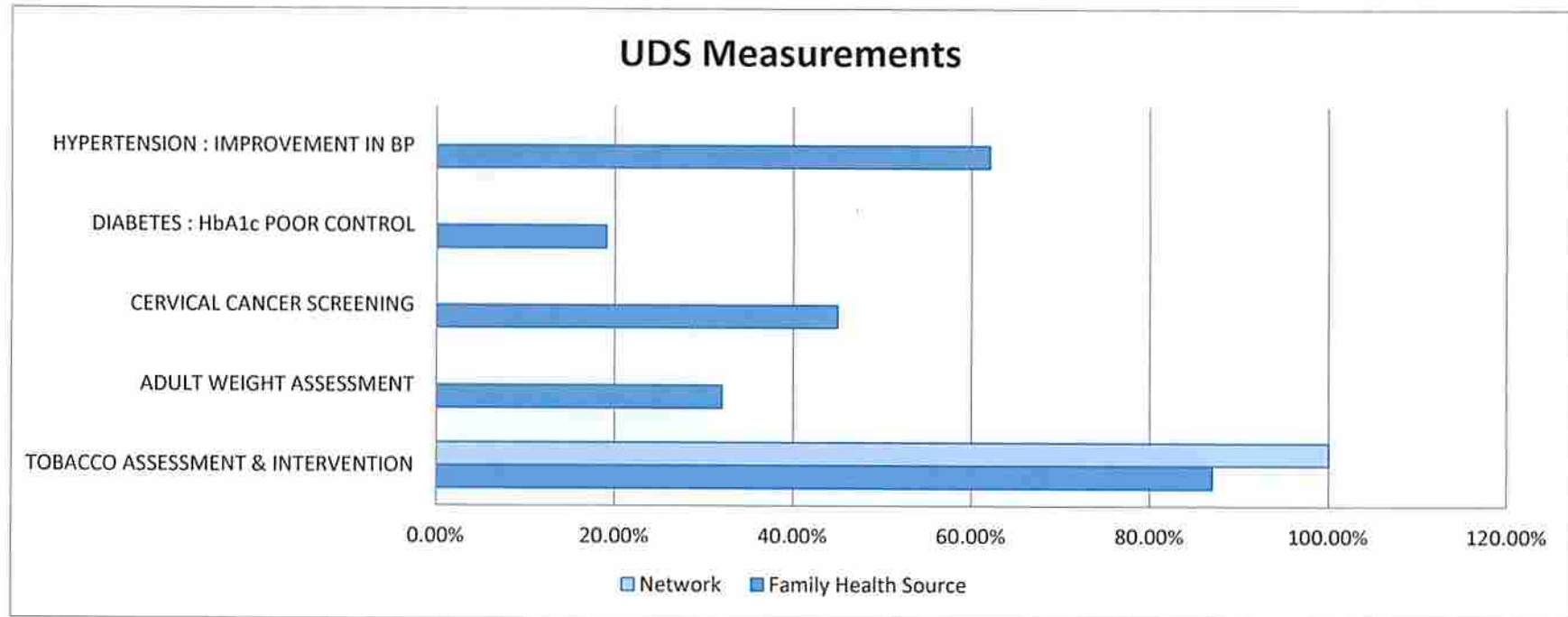


Appointment Times

Location	Provider	Appointments
Pierson	Kessack	General Appt
DeLand	Smith	Same Day
DeLand	Johnson	Same Day
Deltona	Rodriguez	General Appt
Deltona	Macalua	Same Day
Deltona	Mancini	General Appt
Pediatrics	Rojas-Sanchez	Same Day
Pediatrics	Desouza	Same Day

UDS Measures

Clinical Measure	Family Health
TOBACCO ASSESSMENT & INTERVENTION	87.00%
ADULT WEIGHT ASSESSMENT	32.00%
CERVICAL CANCER SCREENING	45.00%
DIABETES : HbA1c POOR CONTROL	19.00%
HYPERTENSION : IMPROVEMENT IN BP	62.00%



Staffing Metrics

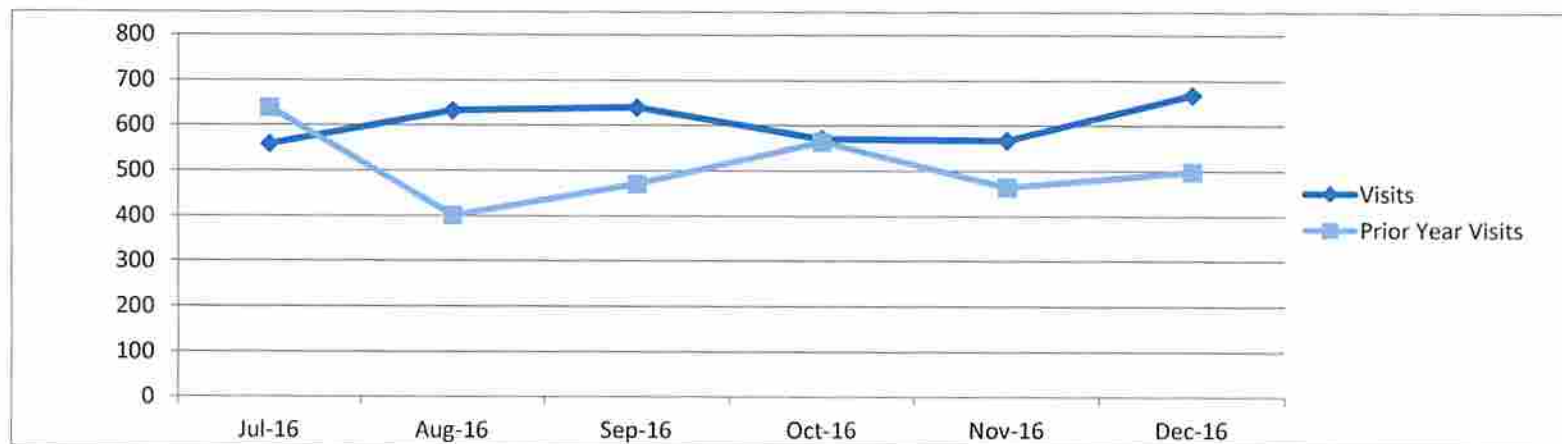
	Oct-16	Nov-16
Total Active Employees	74	74
Turnover: Clinical Employees-MA's	0	2



Northeast Florida Health Services
December-16

Patient Visits

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Visits	558	632	639	570	567	667
Prior Year Visits	638	401	470	564	464	498



Patient Visits by Location

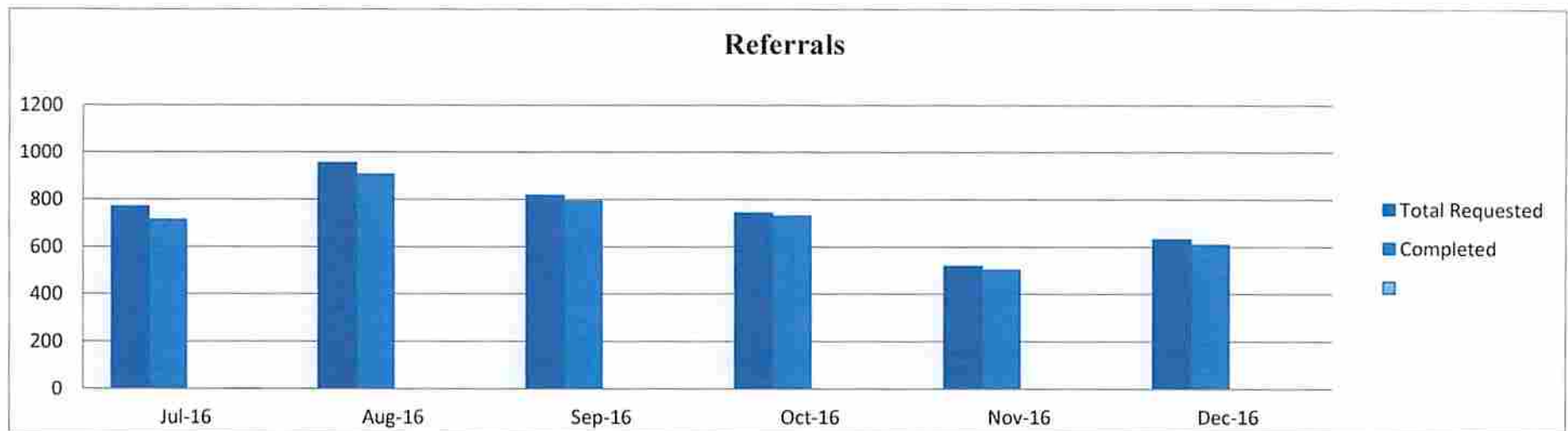
Location	Sep-16	Oct-16	Nov-16	Dec-16		
Deland Medical	254	220	245	334		
Deltona Medical	287	250	234	298		
Pierson Medical	98	100	78	35		
Total	639	570	567	667		

Patient Visits: Saturday Walk-ins (DeLand)

Date	Scheduled	Walk-ins	No Shows	R/S	Cancel	Total Seen
10/1/2016	3	0	0	3	0	0
10/15/2016	4	0	0	0	0	4
10/22/2016	0	0	0	0	0	0
10/29/2016	0	0	0	0	0	0
11/5/2016	3	0	0	3	0	0
11/12/2016	4	0	0	0	0	4
11/19/2016	0	0	0	0	0	0
11/26/2016	0	0	0	0	0	0
12/3/2016	6	0	0	0	0	6
12/10/2016	0	0	0	0	0	0
12/17/2016	3	0	0	0	0	3
12/31/2016	0	0	0	0	0	0
	0	0	0	0	0	0

Referrals

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Requested by NEFHS Providers					228	273
Requested by Specialty Providers					290	359
Total					518	632
Outstanding NEFHS Providers	55	49	26	13	17	23
Outstanding Speciality Providers						
Completed	714	905	791	730	501	609
Total Requested	769	954	817	743	518	632



* Speciality Provider referrals are referrals that the Speciality Provider is seeking for approval from POMCO in order to provide the care for which the Specialty Provider is authorized.

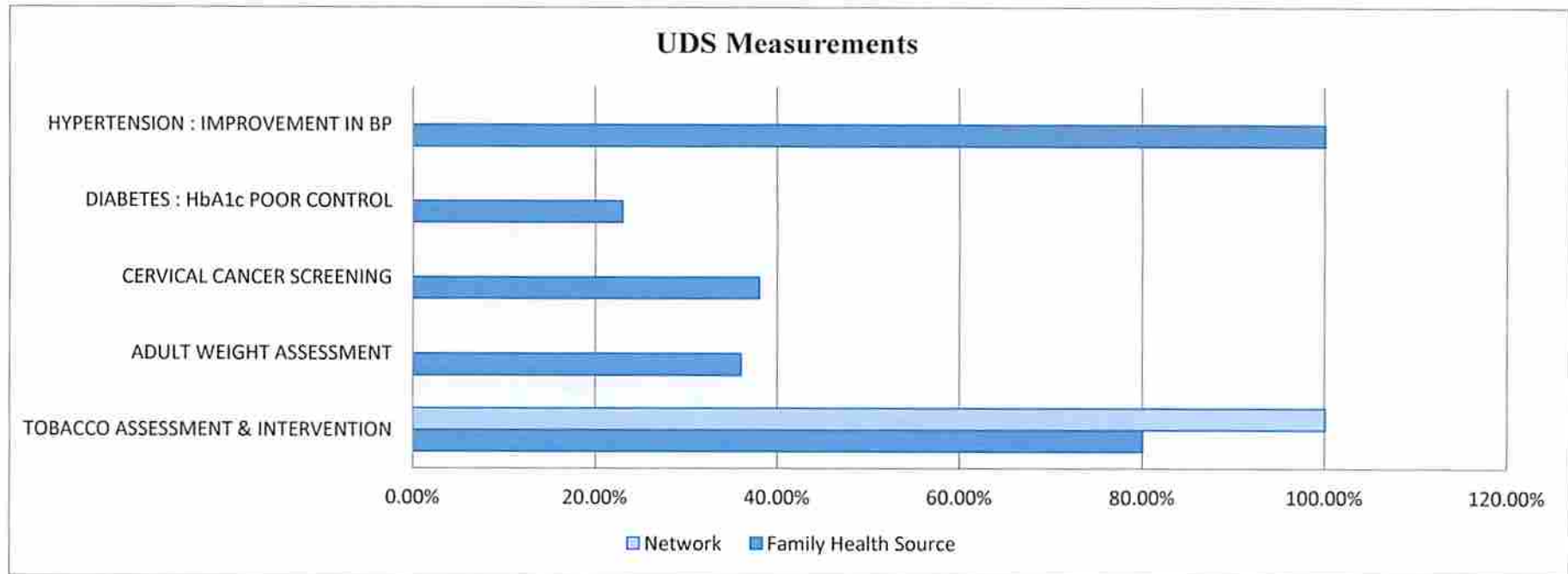
The Speciality Provider MUST receive Authorization /Approval from POMCO PRIOR providing ANY care to the WVHA patient. EXAMPLE - Oncologist identifies WVHA card holder has Cancer. Oncologist has to request a SEPARATE referral processed 100% by the PCP provider prior to the WVHA Card holder (patient) to receive a PORT for a patient to begin receiving treatment -such as Chemotherapy or radiation.

Appointment Times

Location	Provider	Appointments
Pierson	Kessack	Same Day
DeLand	Smith	Same Day
DeLand	Johnson	Same Day
Deltona	Rodriguez	General Appt
Deltona	Macalua	Same Day
Deltona	Mancini	General Appt
Pediatrics	Rojas-Sanchez	Same Day
Pediatrics	Desouza	Same Day

UDS Measures

Clinical Measure	Family Health
TOBACCO ASSESSMENT & INTERVENTION	80.00%
ADULT WEIGHT ASSESSMENT	36.00%
CERVICAL CANCER SCREENING	38.00%
DIABETES : HbA1c POOR CONTROL	23.00%
HYPERTENSION : IMPROVEMENT IN BP	100.00%



Staffing Metrics

	Nov-16	Dec-16
Total Active Employees	74	72
Turnover: Clinical Employees-MA's	2	0



West Volusia Hospital Authority

January 19, 2017

James Moore & Co., P.L.
121 Executive Circle
Daytona Beach, Florida 32114

This representation letter is provided in connection with your audit of the financial statements of West Volusia Hospital Authority (the Authority) as of September 30, 2016 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the Authority in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 19, 2017:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 8, 2015, for the preparation and fair presentation of the financial statements of the Authority referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. There have been no related party transactions.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. There is no summary of unrecorded misstatements shown in an attached schedule since all adjustments proposed by the auditor, material and immaterial, have been recorded.
12. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*,

GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

15. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
18. All interfund and intra-entity transactions and balances, if any, have been properly classified and reported.
19. Special items and extraordinary items have been properly classified and reported.
20. Deposit and investment risks have been properly and fully disclosed.
21. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
22. All required supplementary information is measured and presented within the prescribed guidelines.
23. Accrued workers' compensation claims have been properly reserved for and the amount recorded is adequate given the circumstances.
24. With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect the Authority's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

25. We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the Authority referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
26. All transactions have been recorded in the accounting records and are reflected in the financial statements.
27. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
28. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - The Board of Commissioners of the West Volusia Hospital Authority
 - Employees (if any, whether current or former), contractors, and/or others who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
29. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by former employees, vendors, regulators, or others.

30. Except as disclosed to you, we are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
31. We have disclosed to you the identity of the entity's related parties. There have been no related party transactions.
32. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
33. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
34. We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable.
35. We have disclosed to you all significant estimates and material concentrations known to us that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
36. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
37. Except as disclosed to you, we have no knowledge of:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
38. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
39. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
40. In order to provide oversight of the financial statement preparation services at an appropriate level, we have established effective review policies and procedures including the performance of the following functions:
 - Reconcile general ledger amounts to the draft financial statements utilizing grouping schedules to be provided by you.
 - Review all supporting documentation and explanations for journal entries you proposed and approve the entries.
 - Review the adequacy of financial statement disclosures by completing a disclosure checklist.
 - Review and approve schedules and calculations supporting amounts included in the notes to the financial statements.
 - Apply analytic procedures to the draft financial statements.
 - Perform other procedures as considered necessary by us.
41. In regards to the financial statement preparation assistance services performed by you, we have:
 - Made all management decisions and performed all management functions.
 - Designated a management-level individual (Ronald Cantlay, Dreggors, Rigsby, & Teal) with suitable skill, knowledge, or experience to oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.
 - Established and maintained internal controls, including monitoring ongoing activities.

Section 218.415, Florida Statutes, *Local Government Investment Policies*

We confirm, to the best of our knowledge and belief, the following representations made to you during your examination engagement:

42. We are responsible for complying with Section 218.415, Florida Statutes, *Local Government Investment Policies*.
43. We are responsible for selecting the criteria and have selected the following: Section 218.415, Florida Statutes, *Local Government Investment Policies*.
44. We have determined that the criteria are suitable and appropriate for our purposes.
45. We are responsible for establishing and maintaining effective internal control over compliance.
46. We assert that the Authority is in compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* for the year ended September 30, 2016.
47. There is no known non-compliance.
48. There has been no correspondence or other communications we have received from regulatory authorities, internal auditors, and other practitioners regarding possible noncompliance with the specified requirements.
49. We have made available to you all records and documentation applicable to compliance with the specified requirements.
50. There is no known noncompliance that has occurred subsequent to through the date of this letter that would affect the presentation of the Section 218.415, Florida Statutes, *Local Government Investment Policies*, or your report.
51. We represent that your report will be available for general use.

Signed: _____

Barb Girtman, Chair, Board of Commissioners

Signed: Ronald A. Cantlay

Ronald Cantlay, Partner, Dreggors, Rigsby & Teal

Section 218.415, Florida Statutes, *Local Government Investment Policies*

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50. There is no known noncompliance that has occurred subsequent to through the date of this letter that would affect the presentation of the Section 218.415, Florida Statutes, *Local Government Investment Policies*, or your report.
51. We represent that your report will be available for general use.

Signed: _____
Ross Dickinson, Chair, Board of Commissioners

Signed: Rld J Cantlay
Ronald Cantlay, Partner, Dreggors, Rigsby & Teal



Dreggors, Rigsby & Teal, P.A.

Advisors for Life

Certified Public Accountant | Registered Investment Advisor

1006 N. Woodland Boulevard ■ DeLand, FL 32720
(386) 734-9441 ■ www.drtcpa.com

James H. Dreggors, CPA
Ann J. Rigsby, CPA/CFP™
Parke S. Teal, CPA/PFS (1954-2011)

Ronald J. Cantlay, CPA/CFP™
Robin C. Lennon, CPA
John A. Powers, CPA

January 19, 2017

West Volusia Hospital Authority
1006 N. Woodland Blvd.
PO Box 940
DeLand, FL 32720

This representation letter is provided in connection with your audit of the financial statements of West Volusia Hospital Authority (the Authority) as of September 30, 2016 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the Authority in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 19, 2017:

Financial Statements

1. The financial statements were prepared in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. There have been no related party transactions.

MEMBERS

10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. There is no summary of unrecorded misstatements shown in an attached schedule since all adjustments proposed by the auditor, material and immaterial, have been recorded.
12. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Your policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
18. All interfund and intra-entity transactions and balances, if any, have been properly classified and reported.
19. Special items and extraordinary items have been properly classified and reported.
20. Deposit and investment risks have been properly and fully disclosed.
21. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
22. All required supplementary information is measured and presented within the prescribed guidelines.
23. Accrued workers' compensation claims have been properly reserved for and the amount recorded is adequate given the circumstances.
24. With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect the Authority's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

25. We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the Authority referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
26. All transactions have been recorded in the accounting records and are reflected in the financial statements.

27. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
28. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - The Board of Commissioners of the West Volusia Hospital Authority
 - Employees (if any, whether current or former), contractors, and/or others who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
29. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by former employees, vendors, regulators, or others.
30. Except as disclosed to you, we are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
31. We have disclosed to you the identity of the entity's related parties. There have been no related party transactions.
32. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
33. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
34. We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable.
35. We have disclosed to you all significant estimates and material concentrations known to us that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
36. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
37. Except as disclosed to you, we have no knowledge of:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
38. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
39. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
40. In order to provide oversight of the financial statement preparation services at an appropriate level, we have established effective review policies and procedures including the performance of the following functions:
 - Reconcile general ledger amounts to the draft financial statements utilizing grouping schedules to be provided by JMCO.
 - Review all supporting documentation and explanations for journal entries JMCO proposed and approve the entries.
 - Review the adequacy of financial statement disclosures by completing a disclosure checklist.
 - Review and approve schedules and calculations supporting amounts included in the notes to the financial statements.
 - Apply analytic procedures to the draft financial statements.

- Perform other procedures as considered necessary by us.

Section 218.415, Florida Statutes, *Local Government Investment Policies*

We confirm, to the best of our knowledge and belief, the following representations made to you during your examination engagement:

41. You are responsible for complying with Section 218.415, Florida Statutes, *Local Government Investment Policies*.
42. You are responsible for selecting the criteria and have selected the following: Section 218.415, Florida Statutes, *Local Government Investment Policies*.
43. We have determined that the criteria are suitable and appropriate for our purposes.
44. We are responsible for establishing and maintaining effective internal control over compliance.
45. We assert that the Authority is in compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* for the year ended September 30, 2016.
46. There is no known non-compliance.
47. There has been no correspondence or other communications we have received from regulatory authorities, internal auditors, and other practitioners regarding possible noncompliance with the specified requirements.
48. We have made available to you all records and documentation applicable to compliance with the specified requirements.
49. There is no known noncompliance that has occurred subsequent to through the date of this letter that would affect the presentation of the Section 218.415, Florida Statutes, *Local Government Investment Policies*, or your report.
50. We represent that your report will be available for general use.

Red 9 County

Dwyer, Rish - Tule, P.A.

WEST VOLUSIA HOSPITAL AUTHORITY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

DRAFT

**WEST VOLUSIA HOSPITAL AUTHORITY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

TABLE OF CONTENTS

	<u>Page Number(s)</u>
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 7
Basic Financial Statements	
Balance Sheet / Statement of Net Position	8
Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	10
Notes to Financial Statements	11 – 15
Schedule of Healthcare Expenditures	16
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	17 – 18
Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General	19 – 20
Independent Accountants' Examination Report	21

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners,
West Volusia Hospital Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the West Volusia Hospital Authority (the Authority), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Authority's 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.

Auditors' 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 *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 auditors' 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 auditors consider 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 Authority'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of Authority as of September 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of healthcare expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of healthcare expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of healthcare expenditures is fairly stated, in all material respects, in relation to the basic 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 19, 2017, on our consideration of the Authority'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 the 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 Authority's internal control over financial reporting and compliance.

Daytona Beach, Florida
January 19, 2017

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended September 30, 2016

As management of West Volusia Hospital Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Authority's financial statements, which follow this narrative.

The financial statements presented herein include all of the activities of the Authority, as prescribed by generally accepted accounting principles.

Financial Highlights

- Net position, the excess of assets over liabilities, amounted to \$11,022,435 at the close of the fiscal year.
- As a result of the current year's operations, the Authority's net position decreased \$2,161,892 over the last fiscal year. The Authority's cash and cash equivalents decreased \$775,868 from the previous year. Accounts payable at year end increased by \$1,030,939 due to increasing enrollment.
- Ad valorem revenues decreased \$1,268,437 due to a 10% decrease in the millage rate for the 2016 budget year.
- Investment income is extremely low due to historically low interest rates. The Authority is keeping most of its funds in a money market account in an effort to maximize earnings, while protecting the Authority's assets.
- Healthcare expenditures have decreased dramatically from prior historical levels. The Authority continues to require health card applicants to apply for coverage under the Affordable Care Act ("ACA"). Applicants will not be considered for the Health Card until after they provide proof that certain ACA measures have been met. The Authority is the payer of last resort and if coverage is available through the ACA, the applicant is not eligible for the Health Card. This requirement became effective starting January 1, 2014, and was responsible for enrollment declining from historical averages of 1900-2100 members to an average of 1000 – 1100 members. Enrollment has been slowly increasing again.
- During the year, the Authority sold a parcel of land that was purchased several years ago to be the site for a clinic. Plans changed and the land was no longer needed. Net proceeds from the sale of the land were \$233,220 and the disposition results in a net loss of \$122,628.
- Healthcare expenditures increased by \$2,381,544 or 19.4% due to increasing enrollment and the inability of the Authority's new TPA to capture Medicaid recoveries.

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
Year Ended September 30, 2016

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business. The governmental activities of the Authority include providing access to healthcare services for the indigent.

The **statement of net position** presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the Authority is improving or deteriorating.

The **statement of activities** presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
Year Ended September 30, 2016

Government-wide Financial Analysis

Statement of Net Position

Net position decreases when expenditures exceed revenues. At the close of the fiscal year, assets exceeded liabilities by \$11,022,435, which is a decrease from the preceding year of \$2,161,892. See page 3 for discussion of significant changes.

	2016	2015
Assets:		
Current assets	\$12,415,806	\$13,161,036
Capital assets, net	621,659	1,007,382
Prepaid items and deposits	2,000	2,000
Total Assets	<u>13,039,465</u>	<u>14,170,418</u>
Liabilities:		
Current liabilities	1,809,030	778,091
Workers' Compensation Claims payable	208,000	208,000
Total Liabilities	<u>2,017,030</u>	<u>986,091</u>
Net position:		
Invested in capital assets	621,659	1,007,382
Unrestricted	<u>10,400,776</u>	<u>12,176,945</u>
Total Net position	<u>\$11,022,435</u>	<u>\$13,184,327</u>

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
Year Ended September 30, 2016

Statement of Activities

The Statement of Revenues, Expenditures and Changes in Fund Balance present information illustrating how a government's net position changes during the fiscal year. All changes in net position are reported as soon as the economic activities occur, regardless of timing of the cash. See page 3 for discussion of significant changes.

	<u>2016</u>	<u>2015</u>
Ad valorem taxes	\$ 12,457,801	\$ 13,726,148
Investment income	61,097	68,208
Rental income	66,876	67,128
Other income	3,976	25
Total revenue	<u>12,589,750</u>	<u>13,861,509</u>
Healthcare expenditures	14,599,139	12,217,595
Loss on disposal of capital assets	122,628	0
Depreciation	29,875	31,534
Total Expenses	<u>14,751,462</u>	<u>12,249,129</u>
Change in net position	(2,161,892)	1,612,380
Net position - beginning	<u>13,184,327</u>	<u>11,571,947</u>
Net position - ending	<u>\$ 11,022,435</u>	<u>\$ 13,184,327</u>

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
Year Ended September 30, 2016

Economic Factors and Changes on the Horizon.

The Authority exists to provide access to healthcare for qualified uninsured residents of the taxing district. Due to the federal mandate under the Affordable Care Act which requires citizens to have health insurance, the Authority requires all applicants for the Authority's program to apply for coverage through the federal exchange, as well as continuing the requirement to apply for Medicaid. Due to the recent election and the possibility of potential changes to the Affordable Care Act, management believes that enrollment may increase and drive up expenditures. Enrollment has been slowly increasing the past few months resulting in an increase in expenditures. The Authority's expenditures are also subject to legislative changes by the State of Florida affecting the Medicaid share of costs which could rise in the future. These factors will demand continued planning and diligence from the Board. For the September 30, 2017, fiscal year, the Board set its final millage rate at 1.590 mills. Due to the factors noted above, it may be necessary to increase the millage rate next year after having lowered it 26.5% from 2014 - 2016.

Requests for Information

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to Eileen Long, West Volusia Hospital Authority, 1006 N. Woodland Blvd., DeLand, Florida 32720.

WEST VOLUSIA HOSPITAL AUTHORITY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 12,289,384	\$ -	\$ 12,289,384
Taxes receivable	126,422	-	126,422
Prepaid items and deposits	2,000	-	2,000
Property and equipment, net	-	621,659	621,659
Total Assets	<u>\$ 12,417,806</u>	<u>\$ 621,659</u>	<u>\$ 13,039,465</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	\$ 1,809,030	\$ -	\$ 1,809,030
Workers' compensation claims payable	-	208,000	208,000
Total Liabilities	<u>\$ 1,809,030</u>	<u>\$ 208,000</u>	<u>\$ 2,017,030</u>
<u>DEFERRED INFLOWS</u>			
Unavailable revenue	<u>\$ 109,445</u>	<u>\$ (109,445)</u>	<u>\$ -</u>
<u>FUND BALANCE / NET POSITION</u>			
Fund balance:			
Nonspendable:			
Prepaid items and deposits	2,000	(2,000)	-
Assigned			
Subsequent year's budget	5,464,554	(5,464,554)	-
Unassigned	5,032,777	(5,032,777)	-
Net position:			
Investment in capital assets	-	621,659	621,659
Unrestricted	-	10,400,776	10,400,776
Total Fund Balance / Net Position	<u>\$ 10,499,331</u>	<u>\$ 523,104</u>	<u>\$ 11,022,435</u>

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

WEST VOLUSIA HOSPITAL AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Revenues			
Ad valorem taxes	\$ 12,435,674	\$ 22,127	\$ 12,457,801
Interest income	61,097	-	61,097
Rental income	66,876	-	66,876
Miscellaneous	3,976	-	3,976
Total revenues	<u>12,567,623</u>	<u>22,127</u>	<u>12,589,750</u>
Expenditures / expenses			
Healthcare	14,599,139	-	14,599,139
Loss on disposal of capital assets	-	122,628	122,628
Depreciation	-	29,875	29,875
Total expenditures / expenses	<u>14,599,139</u>	<u>152,503</u>	<u>14,751,642</u>
Excess (deficiency) of revenues over expenditures / operating income	<u>(2,031,516)</u>	<u>(130,376)</u>	<u>(2,161,892)</u>
Other financing sources			
Proceeds from sale of capital assets	233,220	(233,220)	-
Net change in fund balance / net position	<u>(1,798,296)</u>	<u>(363,596)</u>	<u>(2,161,892)</u>
Fund balance / net position, beginning of year	12,297,627	886,700	13,184,327
Fund balance / net position, end of year	<u><u>\$ 10,499,331</u></u>	<u><u>\$ 523,104</u></u>	<u><u>\$ 11,022,435</u></u>

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

WEST VOLUSIA HOSPITAL AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 12,225,000	\$ 12,225,000	\$ 12,435,674	\$ 210,674
Interest income	65,000	65,000	61,097	(3,903)
Rental income	66,876	66,876	66,876	-
Miscellaneous	-	-	3,976	3,976
Total revenues	<u>12,356,876</u>	<u>12,356,876</u>	<u>12,567,623</u>	<u>210,747</u>
Expenditures				
Healthcare	16,741,063	16,741,063	14,599,139	2,141,924
Excess (deficiency) of revenues over expenditures	<u>(4,384,187)</u>	<u>(4,384,187)</u>	<u>(2,031,516)</u>	<u>2,352,671</u>
Other financing sources				
Proceeds from sale of capital assets	-	-	233,220	233,220
Fund balance, beginning of year	12,297,627	12,297,627	12,297,627	-
Fund balance, end of year	<u>\$ 7,913,440</u>	<u>\$ 7,913,440</u>	<u>\$ 10,499,331</u>	<u>\$ 2,585,891</u>

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

WEST VOLUSIA HOSPITAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

(1) Summary of Significant Accounting Policies:

The accounting policies of the West Volusia Hospital Authority (the Authority) conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant policies.

(a) **Reporting entity**—The Authority is a special taxing district in Volusia County, Florida created and incorporated in 1957 by the Legislature of the State of Florida under Chapter 57-2085. The five-member elected Board of Commissioners (the Board) is enabled to acquire, construct, operate and maintain hospitals, healthcare facilities, or contract with third parties for the care of medically indigent persons in the Authority's district, and to levy taxes and issue bonds to finance healthcare facilities' operations, and to participate in other activities to promote the general health of the district.

The Authority has adopted the Governmental Accounting Standards Board (GASB) Codification for the purpose of evaluating its financial statements. Based on the Codification, the Authority has determined that there are no other component units that meet the criteria for inclusion in the Authority's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Authority. The Authority only has governmental activity and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the Authority's General Fund. The General Fund is considered to be a major fund and is the only fund of the Authority.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

(d) **Budgets**—The Board of Commissioners of the Authority adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the Board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts; however, with proper approval by the Board, budgetary transfers between line items can be made. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

WEST VOLUSIA HOSPITAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Cash and cash equivalents**—Cash and cash equivalents consists of cash on hand and on deposit in banks and money market accounts.

(f) **Property and equipment**—Property and equipment purchased in the general fund are recorded as expenditures at the time of purchase. Gifts or contributions are recorded at fair market value at the time received. It is the policy of the Authority to capitalize property and equipment over \$500. Lesser amounts are expensed. Depreciation has been provided on fixed assets as a direct charge using the straight-line method over the estimated useful lives of the various classes of depreciable assets, which ranges from 5 to 40 years.

(g) **Deferred inflows of resources**—In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the one item in this category is unavailable revenues, which will be recognized as inflows of resources in the period that the amounts become available.

(h) **Fund Balance**— The Authority reports fund balance in accordance with the GASB Codification. Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts constrained to specific purposes by outside parties or enabling legislation.

Committed —Amounts that can be used only for specific purposes determined by a formal action by ordinance or resolution.

Assigned—Amounts that are designated by the Board of Commissioners for a specific purpose.

Unassigned—All amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which restricted, committed, assigned, and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first, committed funds second, assigned funds third, and unassigned funds last.

Nonspendable fund balance is made up of deposits. The Authority had no restricted or committed fund balance at September 30, 2016. Assigned fund balance is made up of amounts assigned to the subsequent year's budget.

(i) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

**WEST VOLUSIA HOSPITAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(2) Reconciliation of Government-Wide and Fund Financial Statement:

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Included with the governmental fund balance sheet is a reconciliation between fund balance—total governmental funds and net position—governmental activities as reported in the government-wide statement of net position. These differences, including the recording of the Authority's capital assets and long-term workers' compensation claims liability, and various equity reclassifications, are outlined in the "Adjustments" column on the balance sheet / statement of net position.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Included with the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences, including the recording of current-year depreciation expense and loss on disposal of capital assets (and related reversal of the \$233,220 net proceeds from miscellaneous revenues related to the sale of capital assets, as discussed further in Note 5), are outlined in the "Adjustments" column on the statement of revenues, expenditures, and changes in fund balance / statement of activities.

(3) Property Tax Calendar:

The Authority is a taxing authority in Volusia County, Florida (the County), and pays a fee to the County for the assessment and collection of property taxes. The property tax calendar for the year ended September 30, 2016, is as follows:

Valuation date	January 1
Property appraiser prepares the assessment roll with values as of January 1, submits this preliminary roll for approval by the state and notifies each taxing authority of their respective valuations.	July 1
Each taxing authority holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September
Property appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (levy date).	November 1
A notice of taxes is mailed to each property owner on the assessment roll. Taxes may be paid November through March with the following applicable discounts:	November through March

<u>Month</u>	<u>Discount</u>
November	4%
December	3%
January	2%
February	1%
March	0%

All unpaid taxes on real and tangible personal property become delinquent.	April 1
A list of unpaid real and tangible personal property taxes are advertised.	April
Tax certificates are sold on all real estate with unpaid real estate property taxes (lien date).	And May June 1
A court order is obtained authorizing the seizure and sale of personal property, if the taxpayer fails to pay the delinquent personal property taxes.	June

WEST VOLUSIA HOSPITAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

(4) Deposits and Investments:

At September 30, 2016, the carrying amount of the Authority's cash on deposit in its bank accounts was \$12,289,384 after any applicable reconciling items such as outstanding checks and deposits in transit. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Authority's deposits at year end are considered insured for custodial credit risk purposes.

The Authority is authorized to invest in investment vehicles, as defined in the written investment policy, which was approved by the Board. The policy specifies the authorized investment vehicles which, among others, include the Local Government Surplus Funds Trust Fund (State Board of Administration, "SBA"), negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the U.S. Government at the then prevailing market price for such securities with remaining maturities not exceeding one year, for certain money market funds and repurchase agreements. The policy also specifies the portfolio allocation, which is intended to meet the Authority's specified goals, in order of priority; safety, liquidity, and yield.

(5) Capital Assets:

Changes in the Authority's capital assets for the years ended September 30, 2016, were as follows:

	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016
Capital assets not being depreciated:				
Land	\$ 500,848	\$ -	\$ (355,848)	\$ 145,000
Total capital assets not being depreciated	500,848	-	(355,848)	145,000
Capital assets being depreciated:				
Machinery and equipment	755	-	(503)	252
Buildings	772,848	-	-	772,848
Accumulated depreciation	(267,069)	(29,875)	(503)	(296,441)
Total capital assets being depreciated, net	506,534	(29,875)	-	476,659
Capital Assets, net	\$ 1,007,382	\$ (29,875)	\$ (355,848)	\$ 621,659

Depreciation expense for the year ended September 30, 2016, was \$29,875.

The Authority sold a significant parcel of land during the current year which was not being used in ongoing operations. Net proceeds from the sale of \$233,220 have been recorded as other financing sources in the general fund and the net loss on the disposition of \$122,628 has been recorded as an expense on the statement of net position.

**WEST VOLUSIA HOSPITAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

(6) Accrued Workers' Compensation Claims:

The Authority has responsibility for workers' compensation claims arising from the period that certain hospitals were under its control, and has accrued \$208,000 for the purpose of paying settlements. The amount accrued and represents the recommended reserve for future payments on open claims. Management has performed a detailed analysis of past claim costs, claimant life expectancy, and expected future costs in determining the estimate and considers the reserve, which is for one outstanding claim, to be adequate. This balance has not changed from the previous fiscal year.

(7) Contingencies:

The Authority occasionally faces legal claims incidental to the ordinary course of its operations. In the opinion of management and based on the advice of legal counsel, the ultimate disposition of open inquiries and claims, if any, will not have a material adverse effect on the financial position or results of operations of the Authority.

DRAFT

**WEST VOLUSIA HOSPITAL AUTHORITY
SCHEDULE OF HEALTHCARE EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Expenditures

Healthcare expenditures	
Baker Act, substance abuse and mental health programs	\$ 1,058,918
Hospital indigent care reimbursements	4,749,291
Hospital - physicians services	228,072
Health Care Responsibility Act reimbursements	228,314
KidCare outreach	68,238
Medicaid reimbursements	2,124,879
Pharmacy program	682,285
Primary care and dental program	846,785
Specialty care program	2,819,693
HIV outreach	274,376
Total healthcare expenditures	<u>13,080,851</u>
Other operating expenditures	
General and administrative	93,953
Third-party administration	550,318
Eligibility and enrollment oversight	261,721
Legal	73,720
Plant and maintenance	4,081
Professional and accounting fees	66,582
Tax increment fees - City of DeLand	24,299
Tax collector and appraiser fees	420,635
Miscellaneous	22,979
Total other operating expenditures	<u>1,518,288</u>
Total expenditures	<u><u>\$ 14,599,139</u></u>

See accompanying notes to financial statements.

**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 Commissioners,
West Volusia Hospital Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the governmental activities and major fund of the West Volusia Hospital Authority (the Authority) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 19, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daytona Beach, Florida
January 19, 2017

DRAFT

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Board of Commissioners,
West Volusia Hospital Authority:

Report on the Financial Statements

We have audited the basic financial statements of the West Volusia Hospital Authority (the Authority), as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated January 19, 2017.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 19, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The following comments were identified in the preceding audit report:

2015-001 Policies and Procedures: Corrective action taken.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Authority was established by special act by the Florida Legislature. There are no component units related to the Authority.

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Daytona Beach, Florida
January 19, 2017

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Board of Commissioners,
West Volusia Hospital Authority:

We have examined the West Volusia Hospital Authority's (the Authority) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2016. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the West Volusia Hospital Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

Daytona Beach, Florida
January 19, 2017

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2016

As management of West Volusia Hospital Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Authority's financial statements, which follow this narrative.

The financial statements presented herein include all of the activities of the Authority, as prescribed by generally accepted accounting principles.

Financial Highlights

- Net position, the excess of assets over liabilities, amounted to \$11,022,435 at the close of the fiscal year.
- As a result of the current year's operations, the Authority's net position decreased \$2,161,892 over the last fiscal year. The Authority's cash and cash equivalents decreased \$775,868 from the previous year. Accounts payable at year end increased by \$1,030,939 due to increasing enrollment.
- Ad valorem revenues decreased \$1,268,437 due to a 10% decrease in the millage rate for the 2016 budget year.
- Investment income is extremely low due to historically low interest rates. The Authority is keeping most of its funds in a money market account in an effort to maximize earnings, while protecting the Authority's assets.
- Healthcare expenditures have decreased dramatically from prior historical levels. The Authority continues to require health card applicants to apply for coverage under the Affordable Care Act ("ACA"). Applicants will not be considered for the Health Card until after they provide proof that certain ACA measures have been met. The Authority is the payer of last resort and if coverage is available through the ACA, the applicant is not eligible for the Health Card. This requirement became effective starting January 1, 2014, and was responsible for enrollment declining from historical averages of 1900-2100 members to an average of 1000 – 1100 members. Enrollment has been slowly increasing again.
- During the year, the Authority sold a parcel of land that was purchased several years ago to be the site for a clinic. Plans changed and the land was no longer needed. Net proceeds from the sale of the land were \$233,220 and the disposition results in a net loss of \$122,628.
- Healthcare expenditures increased by \$2,381,544 or 19.4% due to increasing enrollment and the inability of the Authority's new TPA to capture Medicaid recoveries.

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
Year Ended September 30, 2016

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business. The governmental activities of the Authority include providing access to healthcare services for the indigent.

The **statement of net position** presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the Authority is improving or deteriorating.

The **statement of activities** presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
Year Ended September 30, 2016

Government-wide Financial Analysis

Statement of Net Position

Net position decreases when expenditures exceed revenues. At the close of the fiscal year, assets exceeded liabilities by \$11,022,435, which is a decrease from the preceding year of \$2,161,892. See page 3 for discussion of significant changes.

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets	\$12,415,806	\$13,161,036
Capital assets, net	621,659	1,007,382
Prepaid items and deposits	<u>2,000</u>	<u>2,000</u>
Total Assets	<u>13,039,465</u>	<u>14,170,418</u>
Liabilities:		
Current liabilities	1,809,030	778,091
Workers' Compensation Claims payable	<u>208,000</u>	<u>208,000</u>
Total Liabilities	<u>2,017,030</u>	<u>986,091</u>
Net position:		
Invested in capital assets	621,659	1,007,382
Unrestricted	<u>10,400,776</u>	<u>12,176,945</u>
Total Net position	<u>\$11,022,435</u>	<u>\$13,184,327</u>

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
Year Ended September 30, 2016

Statement of Activities

The Statement of Revenues, Expenditures and Changes in Fund Balance present information illustrating how a government's net position changes during the fiscal year. All changes in net position are reported as soon as the economic activities occur, regardless of timing of the cash. See page 3 for discussion of significant changes.

	<u>2016</u>	<u>2015</u>
Ad valorem taxes	\$ 12,457,801	\$ 13,726,148
Investment income	61,097	68,208
Rental income	66,876	67,128
Other income	3,976	25
Total revenue	<u>12,589,750</u>	<u>13,861,509</u>
Healthcare expenditures	14,599,139	12,217,595
Loss on disposal of capital assets	122,628	0
Depreciation	29,875	31,534
Total Expenses	<u>14,751,462</u>	<u>12,249,129</u>
Change in net position	(2,161,892)	1,612,380
Net position - beginning	<u>13,184,327</u>	<u>11,571,947</u>
Net position - ending	<u>\$ 11,022,435</u>	<u>\$ 13,184,327</u>

WEST VOLUSIA HOSPITAL AUTHORITY
An Independent Special District

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
Year Ended September 30, 2016

Economic Factors and Changes on the Horizon.

The Authority exists to provide access to healthcare for qualified uninsured residents of the taxing district. Due to the federal mandate under the Affordable Care Act which requires citizens to have health insurance, the Authority requires all applicants for the Authority's program to apply for coverage through the federal exchange, as well as continuing the requirement to apply for Medicaid. Due to the recent election and the possibility of potential changes to the Affordable Care Act, management believes that enrollment may increase and drive up expenditures. Enrollment has been slowly increasing the past few months resulting in an increase in expenditures. The Authority's expenditures are also subject to legislative changes by the State of Florida affecting the Medicaid share of costs which could rise in the future. These factors will demand continued planning and diligence from the Board. For the September 30, 2017, fiscal year, the Board set its final millage rate at 1.590 mills. Due to the factors noted above, it may be necessary to increase the millage rate next year after having lowered it 26.5% from 2014 - 2016.

Requests for Information

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to Eileen Long, West Volusia Hospital Authority, 1006 N. Woodland Blvd., DeLand, Florida 32720.

January 19, 2017

To the Board of Commissioners,
West Volusia Hospital Authority:

We have audited the financial statements of West Volusia Hospital Authority (the Authority) as of and for the year ended September 30, 2016, and have issued our report thereon dated January 19, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 8, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding our recommendations during our audit, if any, in a separate report to you dated January 19, 2017.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, other individuals in our firm, and our firm have complied with all relevant ethical requirements regarding independence.

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Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2016. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of useful lives for depreciation and amortization, which is based on past history. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the workers' compensation claims payable, which is based on an actuarial analysis performed in 2003 and management's estimate of future costs. We evaluated the key factors and assumptions used to develop the estimated liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

The disclosure of accrued workers' compensation claims in Note 6 to the financial statements discusses the future estimated payments on one outstanding workers' compensation claim.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements. Listed below are uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- None noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following summarizes misstatements that have been corrected:

- \$60,000 accrual to record additional pharmacy expenses and the related payable for amounts incurred in fiscal year 2016.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached management representation letter dated January 19, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

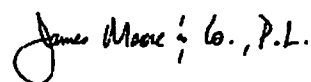
In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This report is intended solely for the use of the Board of Directors and management of the West Volusia Hospital Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



JAMES MOORE & CO., P.L.

Eileen Long

From: Claire Wheeler <clairew@communitylegal.onmicrosoft.com>
Sent: Thursday, December 22, 2016 1:23 PM
To: Eileen Long
Cc: Robin Hite; Laura M. Pichardo-Cruz
Subject: RE: Question about WVHA Card Members -- POMCO
Attachments: Letter Requesting to Appear before WVHA.pdf

Dear Ms. Long:

Please find attached a letter requesting to appear before the WVHA Commission on January 19, 2017. I would like to address the issue of mailing MLP materials to holders of the WVHA Health Card.

Please let me know if you need anything else. Thank you very much.

Happy Holidays,

Claire M. Wheeler, Esq.
Community Legal Services of Mid-Florida
Medical-Legal Partnership of West Volusia
Phone: (386) 222-0280
Email: clairew@clsmf.org

From: Eileen Long [mailto:ELong@drtcpa.com]
Sent: Friday, December 16, 2016 1:21 PM
To: Ted Small <tsmall@businessemploymentlawyer.com>
Cc: Robin Hite <robinh@clsmf.org>; Ron Cantlay <RCantlay@drtcpa.com>; Laura M. Pichardo-Cruz <laurap@clsmf.org>;
Claire Wheeler <clairew@clsmf.org>
Subject: Re: Question about WVHA Card Members -- POMCO

Hi all,

Brief response, I have added their website link to the Wvha website

Thanks!

Eileen O'Reilly Long
[1006 N Woodland Blvd](#)
[DeLand FL 32720](#)
[Phone: \(386\) 734-9441](#)
[Fax: \(386\) 738-5351](#)
[E-mail: elong@drtcpa.com](mailto:elong@drtcpa.com)

As required by United States Treasury Regulations, please be aware that this communication is not intended or written to be used, and it cannot be used, by any recipient for the purpose of avoiding penalties that may be imposed on the recipient under United States federal tax laws.

On Dec 16, 2016, at 11:47 AM, Ted Small <tsmall@businessemploymentlawyer.com> wrote:

Apologies Robin, this slipped during a busy week. I believe the question of whether a funded agency should be have access to POMCO's mailing list of Health Card members for purposes of a direct mailing to solicit clients, is a thorny one that CLSMF should write up on its letterhead to present to the Board in January on the Discussion Agenda. I'd have to research this, but I cannot think of another funded agency that has been allowed to do a direct mailing. But I can recall that the services of some agencies may have been mentioned in correspondence that was already being mailed by POMCO. CLSMF may want to consider asking the Board for that type of "spotlight" of its new services as opposed to dealing with the slippery slope and ethical issues in the alternative. I also hope Eileen has or will get information about this new service on the website and incorporated into any other WVHA sponsored informational materials.

Hope this helps, ts

From: Robin Hite [<mailto:robinh@clsmf.org>]
Sent: Friday, December 16, 2016 10:24 AM
To: Eileen Long <ELong@drtcpa.com>
Cc: Ted Small (tsmall@businessemploymentlawyer.com)
<tsmall@businessemploymentlawyer.com>; Ron Cantlay <RCantlay@drtcpa.com>; Laura M. Pichardo-Cruz <laurap@clsmf.org>; Claire Wheeler <clairew@clsmf.org>
Subject: RE: Question about WVHA Card Members -- POMCO

Hi! Can I get an answer on my question below? Thank you so much!

Robin Hite

Resource Development and Grants Manager

robinh@clsmf.org | O: (386) 255-6573, extension 2447

128 Orange Avenue, Suite 300 • Daytona Beach, FL 32114

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Putnam, Seminole, Sumter, and Volusia Counties

From: Robin Hite
Sent: Monday, December 12, 2016 3:19 PM
To: 'Eileen Long' <ELong@drtcpa.com>
Cc: Ted Small (tsmall@businessemploymentlawyer.com)
<tsmall@businessemploymentlawyer.com>; Ron Cantlay <RCantlay@drtcpa.com>; Laura M. Pichardo-Cruz <laurap@clsmf.org>; Claire Wheeler <clairew@clsmf.org>
Subject: Question about WVHA Card Members -- POMCO

Greetings!

Claire (CLSMF's MLP Attorney) would like to send a post card or flyer to current WVHA cardholders announcing the availability of legal services available through our funding agreement with the WVHA. We understand POMCO is the holder of the list and was wondering if we would be allowed permission to: 1) Get the names and addresses of current cardholders from POMCO and do the mailing ourselves, or, 2) Prepare the material and send it to POMCO to mail on our behalf.

We are trying to assist any WVHA cardholder needing legal help under the terms of our agreement with WVHA.

Thank you!

Robin Hite

Resource Development and Grants Manager

robinh@clsmf.org | O: (386) 255-6573, extension 2447

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To: clairew@clsmf.org

Message Score: 50

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My Spam Blocking Level: Medium

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Medical-Legal Partnership of West Volusia

TRANSMITTED VIA EMAIL

December 22, 2016

Eileen Long
West Volusia Hospital Authority (WVHA)
P.O. Box 940
DeLand, FL 32721-0940

**RE: REQUEST BY COMMUNITY LEGAL SERVICES OF MID-FLORIDA (CLSMF) TO
APPEAR BEFORE THE WEST VOLUSIA HOSPITAL AUTHORITY (WVHA) AT THE
GENERAL MEETING ON JANUARY 19, 2017.**

Dear Ms. Long:

I respectfully request to appear on the Discussion Agenda for the January 19, 2017 meeting of the West Volusia Hospital Authority (WVHA) Board of Commissioners. My purpose of being on the agenda is to address the logistics of making an announcement, via mail, directly to holders of the WVHA Health Card. In order to adequately meet the guidelines of our contract, we need to devise a plan to let card holders know about the legal services provided through the newly formed Medical-Legal Partnership (MLP) of West Volusia.

If you have any questions about this request, please let me know. Otherwise, I will look forward to addressing the Commissioners on January 19.

On behalf of myself and CLSMF, thank you very much for your time and attention. Have a happy holiday season.

Yours very truly,

/s/ Claire M. Wheeler, Esq.
Claire M. Wheeler, Esq.
Community Legal Services of Mid-Florida
Medical-Legal Partnership of West Volusia

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WEST VOLUSIA HOSPITAL AUTHORITY
DeLand City Hall-Commission Chambers
120 S. Florida Avenue, DeLand, FL

TENTATIVELY SCHEDULED MEETINGS - 2017

Citizens Advisory Committee Meetings

Tuesdays at 5:15pm

Joint Meetings

Board of Commissioners Meetings

Thursdays at 5:00pm

February 7 - CAC Organizational/Orientation
*Kathie Shepard

January 19 - Organizational/Regular

February 16 (FLA HOSP/HSCFV)
(POMCO to Attend)

March 7 – Applicant Workshop *Ross Dickinson

March 16 (TNC/Good Sam)

**April 20 – 5 p.m. Joint meeting of WVHA Board and CAC – Preliminary Funding
application review**

May 9 - Discussion/Q&A Meeting *Andy Ferrari

*****May 23 - Scoring Meeting *Barb Girtman**

**** May 18 (FLA HOSP-SMA/RAAO/Global
PCP & Urgent Care)**

June 15 – 4 p.m. Primary Care Application Workshop (duration 1 ½ hours)

June 15 – 5:30 p.m. Joint meeting of WVHA Board and CAC–Funding Recommendations

July (CAC Hiatus)

July 20 (4:00 p.m.) Budget
Workshop Followed by Regular
(THND/Healthy Comm)
(POMCO to Attend)

August (CAC Hiatus)

*****August 17 (FLA HOSP/HHI/CLSMF)**

September 12 – New Services Mandatory
Applicant Workshop (CAC representative present)

*****September 14 – Initial Budget Hearing**

****** September 26 - Final Budget/Regular
Meeting TUESDAY**

October (CAC Hiatus)

October 19

November 14 – New Services Applicant Review
*New Commissioner

November 16 (FLA HOSP)

***WVHA Commissioner to attend CAC Meeting**

Meetings to be held at DeLand City Hall Commission Chamber 120 S. Florida Avenue, DeLand FL

****Meeting to be held at Florida Hospital Fish Memorial 1745 Sterling Blvd., Deltona FL**

***** Meeting to be held at DRT, 1006 N. Woodland Blvd., DeLand, FL**

******Meeting to be held at Florida Hospital DeLand, 701 W. Plymouth Avenue, DeLand FL**



Dreggors, Rigsby & Teal, P.A.

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(386) 734-9441 ■ www.drtcpa.com

James H. Dreggors, CPA
Ann J. Rigsby, CPA/CFP™
Parke S. Teal, CPA/PFS (1954-2011)

Ronald J. Cantlay, CPA/CFP™
Robin C. Lennon, CPA
John A. Powers, CPA

November 28, 2016

Board of Commissioners
West Volusia Hospital Authority
PO Box 940
DeLand, FL 32720

Re: Rising Against All Odds (RAAO) Outreach Services

We have performed the procedures detailed in our engagement letter for grantee site visits, dated August 18, 2016, which were agreed to by West Volusia Hospital Authority (WVHA) Board of Commissioners, solely to assist you with respect to funding agreement compliance of Rising Against All Odds (RAAO) Outreach Services for the year ending September 30, 2016. WVHA provides \$88.76 per one hour of outreach referral services. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are below:

1. Inquire and document as to the grantee's monitoring procedures with respect to contract compliance.
 - a. Each month RAAO provides to WVHA a list of clients who received services during the prior month. This de-identified list includes the client's city of residence, the date services were rendered, and the units of service billed in half hour, one hour, or multiple hour increments.
 - b. RAAO personnel complete a residency check list form with information obtained from the patient. This form is completed at time of the first encounter.

MEMBERS

- c. RAAO multiplies the units of service, typically one hour up to four hours, to calculate the invoice total.
2. Select a sample of transactions and test compliance with contract provisions.
 - a. July 2016 was chosen for test procedures. A de-identified list of client visits was provided, one hundred ninety-eight (198) client events.
 - b. From the individual list of client visits, ten percent (10%) were selected for compliance review (20 clients) for proof of identification and residency. From this list:
 - i. RAAO provided supporting medical files of all selected clients for review. All twenty (20) service dates were verified.
 - ii. RAAO provided proof of test results/counseling service forms for all selected clients for review. Twenty (20) files contained testing results/counseling services.
 - iii. Of the twenty (20) files sampled, twenty (20) files contain proof of residency.
 - iv. Of the twenty (20) files sampled, three (3) files did not contain proof of identification. One file contained the client's Florida Technical College registration and one file contained the client's voter registration; however, these are not acceptable forms of documentation per the WVHA eligibility guidelines (section 9.03).
3. Prepare a written report summarizing the results with recommendations to the Board of Commissioners.
 - a. The Utilization Report which details clients served and demographic data with respect to those clients, which RAAO provides to the WVHA, meets all of the requirements of Section 7 of the funding agreement.
 - b. RAAO's medical files appear to be complete and organized when reviewed for verification of services provided.
 - c. RAAO's residency and identification screening has improved since the prior year site visit. We recommend the monthly invoice only contain charges for clients that meet residency and identification criteria of the WVHA guidelines.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

Dreggors, Rigsby & Teal, P.A.

Dreggors, Rigsby & Teal, P.A.



Dreggors, Rigsby & Teal, P.A.

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Robin C. Lennon, CPA
John A. Powers, CPA

November 16, 2016

Board of Commissioners
West Volusia Hospital Authority
PO Box 940
DeLand, FL 32720

Re: Stewart-Marchman-Act (SMA) – Homeless Program

We have performed the procedures detailed in our engagement letter for grantee site visits, dated August 18, 2016, which were agreed to by West Volusia Hospital Authority (WVHA) Board of Commissioners, solely to assist you with respect to funding agreement compliance of Stewart-Marchman-Act (SMA) Homeless Program Funding for the year ending September 30, 2016. WVHA reimburses SMA – Homeless Program for medical and psychiatric services provided to clients of the Program by licensed health care professionals (or supervised by licensed health care professionals). The engagement to apply the agreed upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are below:

1. Inquire and document as to the grantee's monitoring procedures with respect to contract compliance.
 - a. SMA provides to WVHA with each month's invoices, a list of clients who received services during the prior month. This de-identified list includes the client's city of residence, and the date of service.
 - b. SMA personnel complete the WVHA Homeless Verification Form. They work together with The Neighborhood Center of West Volusia to establish West Volusia County residency. This form is completed at time of service.
 - c. SMA performs a check in the State of Florida Medifax/Medicaid system for every client to determine if any Medicaid benefits are available.

MEMBERS

- d. SMA invoices the WVHA a flat fee of \$130.71 for each one hour psychiatric diagnostic interview; a flat fee of \$60.00 per fifteen (15) minutes of pharmacological management, a flat fee of \$73.32 for each one hour of individual therapy, and a flat fee of \$48.00 for each one hour of eligibility/certification. SMA-Homeless shall be reimbursed for prescription medications provided to clients of the Program at the grantee's acquisition cost plus a \$7.00 filling fee per prescription.
2. Select a sample of transactions and test compliance with contract provisions.
 - a. July 2016 was chosen for test procedures. From the individual list of one hundred twelve (112) client charges, 15% were selected for compliance review or sixteen (16) files.
 - b. SMA provided supporting medical files of all selected clients for review. Sixteen (16) dates of service or one hundred percent (100%) were verified.
 - c. SMA provided admission forms of all selected clients for review. Fifteen (15) files or ninety-four (94%) percent did contain a valid photo ID.
 - d. SMA provided proof of residency, income and ACA Determination letters and/or active WVHA HealthCards for fourteen (14) files or eighty-eight (88%) percent. One (1) client was a resident of Daytona Beach. SMA reversed that billing in September of 2016. One (1) client had an expired WVHA HealthCard at the time of service.
 3. Prepare a written report summarizing the results with recommendations to the Board of Commissioners.
 - a. The Utilization Report which details clients served and demographic data with respect to those clients, which SMA provides to the WVHA, meets all of the requirements of Section 7 of the funding agreement.
 - b. SMA's medical files appear to be complete and organized when reviewed for verification of services provided.
 - c. SMA's eligibility screening did not meet the requirements of the funding agreement.

Clients served by the SMA Homeless Program are treated due to chronic psychiatric conditions and, due to their homeless condition, they are often unable to provide necessary information and documentation pertaining to residency and income eligibility.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

Duggan, Rigsby & Teal, P.A.
Dreggors, Rigsby & Teal, P.A.



Dreggors, Rigsby & Teal, P.A.

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Robin C. Lennon, CPA
John A. Powers, CPA

December 5, 2016

Board of Commissioners
West Volusia Hospital Authority
PO Box 940
DeLand, FL 32720

Re: Stewart-Marchman-Act (SMA) – ARNP @ The House Next Door (THND)

We have performed the procedures detailed in our engagement letter for grantee site visits, dated August 18, 2016, which were agreed to by West Volusia Hospital Authority (WVHA) Board of Commissioners, solely to assist you with respect to funding agreement compliance of Stewart-Marchman-Act (SMA) ARNP @ THND Program Funding for the year ending September 30, 2016. WVHA reimburses SMA – ARNP @ THND Program for ARNP psychiatric evaluations and monitoring of psychotropic medications on site at THND. These procedures were performed in accordance with the standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are below:

1. Inquire and document as to the grantee's monitoring procedures with respect to contract compliance.
 - a. SMA provides to WVHA with each month's invoices, a list of clients who received services during the prior month. This de-identified list includes the client's zip code, units of time, the date of service, and a list of medications dispensed.
 - b. SMA personnel receive referrals from THND. THND has previously screened all patients for WVHA eligibility criteria and this information is included in THND client file.
 - c. SMA invoices the WVHA \$150.00 per hour for an ARNP psychiatric evaluation and a flat fee of \$60.00 for fifteen (15) minutes of pharmacological management on-site at THND, along with drug costs.

MEMBERS

2. Select a sample of transactions and test compliance with contract provisions.
 - a. July of 2016 was chosen for test procedures. From the individual list of three (3) clients served all three (3) clients were selected for compliance review.
 - b. SMA provided supporting medical files of all selected clients for review. All three (3) or 100% of dates of service were verified.
 - c. SMA provided verification of residency and identification for all three (3) or 100% of clients reviewed.
 - d. SMA provided verification of income for all three (3) or 100% of clients reviewed.
3. Prepare a written report summarizing the results with recommendations to the Board of Commissioners.
 - a. The Utilization Report which details clients served and demographic data with respect to those clients, which SMA provides to the WVHA, meets all of the requirements of Section 7 of the funding agreement.
 - b. SMA's medical files appear to be complete and organized when reviewed for verification of services provided.
 - c. SMA bills the WVHA for medications dispensed on the dates that the medication is picked up by the client. This was a previous recommendation made by Dreggors, Rigsby & Teal that SMA has enforced.

Clients served by the SMA -ARNP @ THND are treated for medical and psychiatric services provided to clients of the Program by licensed health care professionals to provide psychiatric evaluations and monitoring of psychotropic medications on site at THND.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

Dreggors, Rigsby & Teal, P.A.
Dreggors, Rigsby & Teal, P.A.



Dreggors, Rigsby & Teal, P.A.

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Ronald J. Cantlay, CPA/CFP™

Robin C. Lennon, CPA

John A. Powers, CPA

January 19, 2017

To The Board of Commissioners
West Volusia Hospital Authority
P.O. Box 940
DeLand, FL 32720-0940

This letter documents our agreement, as administrators for the West Volusia Hospital Authority, to perform these agreed-upon procedures related to grantee site visits for the fiscal year of 2016-17. The procedures are enumerated below. We will meet with you as needed to discuss the agreed-upon procedures, results, and other issues that may arise.

- Inquire and document as to the grantee's monitoring procedures with respect to contract compliance.
- Select a sample of transaction and test compliance with contract provisions.
- Prepare a written report summarizing the results with recommendations to the Board of Commissioners.

Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed above do not constitute an examination, we will not express an opinion on financial statements. In addition, we have no obligation to perform any procedures beyond those listed above.

MEMBERS

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of West Volusia Hospital Authority and should not be used by anyone other than this specified party. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The documentation for this engagement is the property of Dreggors, Rigsby & Teal, P.A. and constitutes confidential information. If requested, access to such attest documentation will be provided under the supervision of Dreggors, Rigsby & Teal, P.A. personnel. Furthermore, upon request, we may provide copies of selected documentation to West Volusia Hospital Authority. West Volusia Hospital Authority may intend, or decide, to distribute the copies or information contained therein to others at their own discretion.

Our fee for these services will be based upon our prevailing standard hourly rates for the particular staff employed.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter.

Acknowledged:

Rachel G. Conley
Dreggors, Rigsby & Teal, P.A.
Dreggors, Rigsby & Teal, P.A.

West Volusia Hospital Authority Date



Everybody Is Somebody, Inc.
461 Clark Street • P.O. Box 740214
Orange City, FL 32774

November 1, 2016
Judge Gregory Mathis
207 East Ohio Street - Box # 333
Chicago, IL 60611

Dear Judge Mathis:

We would like to invite you to become a sponsor and supporter of the Orange City African American Heritage Festival which is presented by Everybody Is Somebody, Inc. Please join in on the excitement of the recognition and unveiling of a Rosenwald School (*M.L. Coleman in Orange City, FL.*) by the Volusia County National Historical Board... which will take place during this event. Enjoy the efforts to increase awareness and cultural sensitivity in the County of Volusia. By becoming a sponsor and supporter of the festival, you join an elite club of sponsors who makes a difference; receiving high-level branding opportunities and new customer awareness.

The 1st African American Heritage Festival of Orange City was organized in February 2010. The goal of the Heritage Festival Committee is to showcase the diversity of our community as well as build confidence, self-esteem and support character development and social interaction skills within our young adults. With all that has happened in our country – it has become very important to - **KEEP “Unity in the Community” ALIVE!** The goal is to bring together people of all culture and races.

The attendance of the previous festival has been approximately 1000 to 1500 attendees. As we continue to enhance our calendar of events, the attendance figures continue to increase with community and tourist participation.

Enclosed you will find the sponsorship application along with advertising opportunities. This is a great opportunity to be a part of an event of diversity and high visibility. We would love to have the opportunity to display your name on the 2016 advertisement. We have enclosed the 2016 advertisement for your review. Please respond to the request prior to **December 15, 2016** to ensure your organization name is listed on the 2017 advertisement.

If you would like to be a part of this great event, please make your donation payable to **Everybody Is Somebody, Inc.** which is a 501(c) (3) organization. Your donation of any amount is totally tax deductible.

For additional information please contact **407 314 1033**(Sharon Stafford) or **407 484 1240**(Julius E. Francis).

Again, we thank you for your support.

Sincerely,

Sharon Stafford
Event Coordinator

Dear Sir:

We invite your corporation and organization to be a sponsor of the Orange City African American Heritage Festival which has become the quickest growing and largest festival of its type in Volusia County. The event is scheduled for February 24th talent and gospel night; Saturday, February 25th 2017; festival date – fun and excitement and Sunday, February 26th, 2017- “Know Your Status”... AIDS/HIV Awareness Month; we focuses on Keeping “Unity in the Community” ALIVE ...as well as the Health awareness within our community. It involves the participation of the Central Florida Communities; food and craft vendors, talent and gospel groups, financial institutions, hospitals and health care industry, educational institutions, career opportunities, and many, many more. Your sponsorship will provide a high visibility and recognition for your organization as their name will be fully displayed as a supporter and sponsor during the entire event. We are planning, talent and gospel concert as well as live entertainment for all to enjoy. Donation in any amount is greatly appreciated! **SPONSORSHIP LEVELS ARE LISTED BELOW:**

PLATINUM (TITLE) SPONSOR \$ 5000.00 <ul style="list-style-type: none">•Full page ad in program booklet•Logo on Website Sponsor page and audio mention in ALL Marketing Materials•Opportunity to address the audience at All Heritage events•Booth at the festival (10x10)	GOLD SPONSOR \$ 3000.00 <ul style="list-style-type: none">•One half (½) page ad in program booklet•Mention in Marketing Materials•Logo on Website Sponsor page•Booth at the festival (10x10)	SILVER SPONSOR \$ 2500.00 <ul style="list-style-type: none">•One fourth (¼) page ad in program booklet•Mention in Marketing Materials•Logo on Website Sponsor page•Booth at the festival (10x10)	BRONZE SPONSOR \$ 2000.00 <ul style="list-style-type: none">•One eight (⅛) page ad in program booklet•Mention in Marketing Materials•Logo on Website•Booth at the festival (10x10)
SPECIAL SPONSOR KID'S ZONE SPONSOR \$ 2500.00 <ul style="list-style-type: none">•All Silver sponsor package plus display banner at the KID'S ZONE STORY TELLERS CORNER \$ 2000.00 <ul style="list-style-type: none">•All of Bronze Sponsor Package plus banner display at story TELLER'S CORNER	INVEST IN OUR YOUTH <ul style="list-style-type: none">• Battle of the Band (JAZZ) (grades 9th – 12th)• Step Team (grades 6th - 8th)• Poster Contest (grades k-5th) Open to All Volusia County Schools!	PROGRAM ADS <ul style="list-style-type: none">•Full page Color \$200.00•½ Page Color \$100.00•¼ page \$50.00•Business Card Ad \$25.00	UNITY IN THE COMMUNITY DONOR <ul style="list-style-type: none">•Donate in honor of our seventh year of uniting our community starting at \$7.00•Names will be published in the program booklet

YES, WE / I WOULD LIKE TO BE A PART OF THE VOLUSIA COUNTY AFRICAN AMERICAN HERITAGE FESTIVAL AND WILL BE PARTICIPATING

☐ Platinum Sponsor ☐ Gold Sponsor ☐ Silver Sponsor ☐ Bronze Sponsor ☐ Kid's Zone ☐ Story Tellers Corner

☐ Invest in our Youth – Battle of the Band _____ Brain Bowl _____
Poster Contest _____ ☐ Other/Amount _____

Program Ads: ☐ Full Page ☐ ½ Page ☐ ¼ Page ☐ ⅛ Page ☐ Unity in the Community Donor

Company Name _____

Your Name / Contact Name _____ Email Address _____

Mailing Address _____

City _____ State _____ Zip _____

Phone _____ Alt. Phone / Cell _____ Best Time to Call _____

For more information on sponsorship opportunities and vendor application please visit our website at www.ocaahf.com

Enrollment Processing

451

Applications Received By Fiscal Year for the Period of 1/1/2009 - Present

Applications Received 01/01/2009 - Present						
FiscalYr	Month Received	APPROVED	DENIED	PENDING	Grand Total	Approval Percentage
FY0809		2,693	647		3,340	81%
FY0910		4,198	1,076		5,274	80%
FY1011		4,313	1,185		5,498	78%
FY1112		4,403	1,526		5,929	74%
FY1213		4,321	1,379		5,700	76%
FY1314		2,645	865		3,510	75%
FY1415	201410	198	35		233	85%
	201411	101	27		128	79%
	201412	180	85		265	68%
	201501	297	81		378	79%
	201502	204	25		229	89%
	201503	265	85		350	76%
	201504	138	67		205	67%
	201505	177	51		228	78%
	201506	242	59		301	80%
	201507	228	56		284	80%
	201508	255	77		332	77%
	201509	224	44		268	84%
FY1415 Total		2,509	692		3,201	78%
FY1516	201510	166	32	36	234	71%
FY1516 Total		166	32	36	234	71%
Grand Total		25,248	7,402	36	32,686	77%

Applications Processed By Fiscal Year - Approval Percentage:

Fiscal Year	Applications Processed	Average Approval Pctg
FY0809	3,340	80.63%
FY0910	5,274	79.60%
FY1011	5,498	78.45%
FY1112	5,929	74.26%
FY1213	5,700	75.81%
FY1314	3,510	83.58%
FY1415	3,201	78.38%
FY1516	234	77.24%

Enrollment Applications – Denial Summary Report

HSI

Period	APPROVED		DENIED		PENDING		Total Apps
	Apps	Pctg	Apps	Pctg	Apps	Pctg	
FY1415	1125	78.95%	287	20.14%		0.00%	1425
201505	178	77.06%	51	22.08%		0.00%	231
Active-Eligible	175	97.22%	3	1.67%		0.00%	180
Term - Member Exceeds Income Level		0.00%	10	100.00%		0.00%	10
Term - Member has Medicaid Coverage	3	100.00%		0.00%		0.00%	3
Term - Required Documentation Missing		0.00%	22	100.00%		0.00%	22
Term - ACA Prem Cost < 8% Income		0.00%	4	100.00%		0.00%	4
Declined - Not Eligible for Plan		0.00%	12	100.00%		0.00%	12
201506	241	78.76%	59	19.28%		0.00%	306
Active-Eligible	239	95.98%	4	1.61%		0.00%	249
Inactive - Coverage lapsed, No new app received	1	100.00%		0.00%		0.00%	1
Term - Member Exceeds Income Level		0.00%	9	100.00%		0.00%	9
Term - Member has Medicaid Coverage	1	100.00%		0.00%		0.00%	1
Term - Member Out Of Service Area		0.00%	2	100.00%		0.00%	2
Term - Required Documentation Missing		0.00%	26	100.00%		0.00%	26
Term - ACA Prem Cost < 8% Income		0.00%	7	100.00%		0.00%	7
Declined - Not Eligible for Plan		0.00%	11	100.00%		0.00%	11
201507	227	79.37%	56	19.58%		0.00%	286
Active-Eligible	224	95.73%	7	2.99%		0.00%	234
Term - Member Exceeds Asset Level		0.00%	1	100.00%		0.00%	1
Term - Member Exceeds Income Level		0.00%	9	100.00%		0.00%	9
Term - Member has Medicaid Coverage	3	100.00%		0.00%		0.00%	3
Term - Required Documentation Missing		0.00%	22	100.00%		0.00%	22
Term - ACA Prem Cost < 8% Income		0.00%	4	100.00%		0.00%	4
Declined - Not Eligible for Plan		0.00%	13	100.00%		0.00%	13
201508	255	76.35%	77	23.05%		0.00%	334
Active-Eligible	253	98.44%	3	1.17%		0.00%	257
Term - Member Exceeds Asset Level		0.00%	2	100.00%		0.00%	2
Term - Member Exceeds Income Level		0.00%	9	100.00%		0.00%	9
Term - Member has Medicaid Coverage	2	100.00%		0.00%		0.00%	2
Term - Required Documentation Missing		0.00%	50	98.04%		0.00%	51
Term - ACA Prem Cost < 8% Income		0.00%	5	100.00%		0.00%	5
Declined - Not Eligible for Plan		0.00%	8	100.00%		0.00%	8
201509	224	83.58%	44	16.42%		0.00%	268
Active-Eligible	224	99.56%	1	0.44%		0.00%	225
Term - By Plan for Admin Reason		0.00%	2	100.00%		0.00%	2
Term - Member Exceeds Asset Level		0.00%	1	100.00%		0.00%	1
Term - Member Exceeds Income Level		0.00%	9	100.00%		0.00%	9
Term - Required Documentation Missing		0.00%	21	100.00%		0.00%	21
Term - ACA Prem Cost < 8% Income		0.00%	6	100.00%		0.00%	6
Declined - Not Eligible for Plan		0.00%	4	100.00%		0.00%	4
FY1516	166	70.94%	32	13.68%	35	14.96%	234
201510	166	70.94%	32	13.68%	35	14.96%	234
Active-Eligible	166	97.65%		0.00%	3	1.76%	170
Pending - Multiple Reasons		0.00%		0.00%	32	100.00%	32
Term - Member Exceeds Income Level		0.00%	11	100.00%		0.00%	11
Term - Required Documentation Missing		0.00%	8	100.00%		0.00%	8
Term - ACA Prem Cost < 8% Income		0.00%	3	100.00%		0.00%	3
Declined - Not Eligible for Plan		0.00%	10	100.00%		0.00%	10

Note that because patients can and do become eligible and/or terminate every day of the month, when reporting by month, it's possible for a patient to appear as Active/Eligible as well as Denied for the same month (e-applications). Very few applications are denied due to ACA related reasons – most are related to lack of documentation, or exceeding 150% of Federal Poverty Guidelines.

Enrollment Processing *Pomco*

Applications Received by Fiscal Year for the Period of 1/1/2016 to Present

Applications Received 01/01/2016 - Present

FiscalYr	Month Received	APPROVED	DENIED	PENDING	Grand Total	Approval Percentage
FY1516	201601	285	50	0	335	85.07%
	201602	233	30	1	264	88.26%
	201603	232	60	0	292	79.45%
	201604	193	58	0	251	77.82%
	201605	180	60	0	240	75.00%
	201606	264	58	0	322	81.99%
	201607	298	53	0	351	84.90%
	201608	275	38	0	313	87.86%
	201609	237	47	18	302	78.48%
<i>★</i>	<i>201610</i>	<i>171</i>	<i>19</i>	<i>48</i>	<i>238</i>	<i>71.85% ★</i>
Grand Total		2368	473	67	2908	81.43%

Fiscal Year	Applications Processed	Average Approval Percentage
FY1516	2670	82.28%
FY1617	238	71.85%

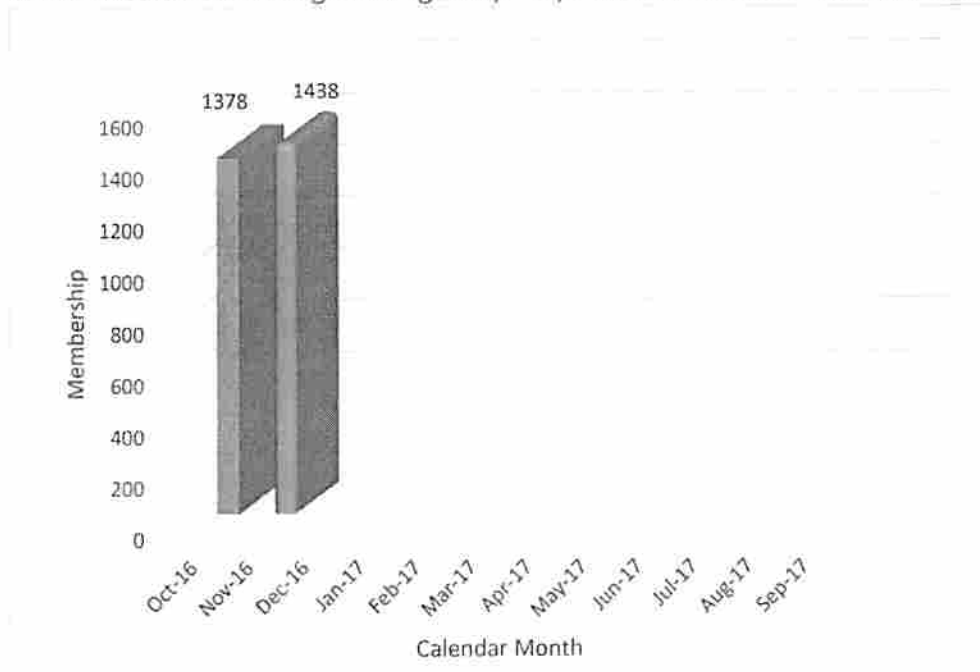
Applications Processed by Fiscal Year – Approval Percentage

Enrollment Applications – Denial Summary Report *Somco*

Period	Approved		Denied		Pending		Total Apps
	Apps	Pctg	Apps	Pctg	Apps	Pctg	
FY1617	★ 171	71.85%	19	7.98%	48	20.17%	★ 238
201710	171	71.85%	19	7.98%	48	20.17%	238
Active Eligible		100.00%		0.00%		0.00%	0
Declined - Member Exceeds Asset Level		0.00%		0.00%		0.00%	0
Declined - Not Elig for Plan		0.00%	18	100.00%		0.00%	18
Terminated - Req'd Documentation Missing		0.00%	1	0.00%		0.00%	1
Pending - Multiple Reasons		0.00%		0.00%	48	0.00%	48

Note that because patients can and do become eligible and/or terminate every day of the month, when reporting by month, the most current status only will be reflected on the monthly reports. If a member is approved but then is denied/termed in the same or subsequent month, the status of denied/termed will be reported and the approved status will be removed.

WVHA Health Card Program Eligibility – by Calendar Month – as of November 1, 2016



Eligibility reported above reflects eligibility as of the first of each month.

As of November 1, 2016, total program eligibility was 1,438 patients.



HILL & HOLLIS
— ENTERPRISES, INC. —

Addendum 1 to WVHA Agreement

WVHA agrees to pay the total amount of \$99,500.00 for the Inclusive marketing package outlined in the proposal and agreement in the terms below.

- Payment of 25% due on contract approval
\$24,875.00
- Payment of the remaining 75% will be paid in 9 monthly installments starting January 19th, 2017
9 payments of \$8,291.67

Hill & Hollis will utilize Deltona High School as a primary resource and printer when possible, within budget, considering professional quality is deliverable.

- Includes printing collateral material
- Original photography
- Logo and collateral design
- Light video production/editing

**Note: The quality of our work is guaranteed. In the event that you feel that we are not meeting the standards described herein or based on our mutual conversations and agreements, this agreement may be canceled given 60-days written notice by either party. The agreement may be upgraded with 30-day written notice by the client.*

**West Volusia Hospital Authority
Financial Statements
December 31, 2016**



Dreggors, Rigsby & Teal, P.A.

Advisors for Life

Certified Public Accountant | Registered Investment Advisor

1006 N. Woodland Boulevard ■ DeLand, FL 32720

(386) 734-9441 ■ www.drtcpa.com

James H. Dreggors, CPA
Ann J. Rigsby, CPA/CFP™
Parke S. Teal, CPA/PFS (1954-2011)

Ronald J. Cantlay, CPA/CFP™
Robin C. Lennon, CPA
John A. Powers, CPA

To The Board of Commissioners
West Volusia Hospital Authority
P. O. Box 940
DeLand, FL 32720-0940

Management is responsible for the accompanying balance sheet (modified cash basis) of West Volusia Hospital Authority, as of December 31, 2016, and the related statement of revenue and expenditures - budget and actual (modified cash basis) for the month then ended and year-to-date, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying supplemental information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to West Volusia Hospital Authority.

Dreggors, Rigsby & Teal, P.A.

Dreggors, Rigsby & Teal, P.A.
Certified Public Accountants
DeLand, FL

January 5, 2017

MEMBERS

American Institute of
Certified Public Accountants

the *CPA* Alliance network

Florida Institute of
Certified Public Accountants

West Volusia Hospital Authority
Balance Sheet
Modified Cash Basis
December 31, 2016

Assets

Current Assets

Petty Cash	\$ 100.00
Intracoastal Bank - Money Market	7,730,807.87
Intracoastal Bank - Operating	614,912.12
Mianstreet Community Bank - MM	10,004,562.65
Taxes Receivable	<u>126,422.00</u>
Total Current Assets	<u>18,476,804.64</u>

Fixed Assets

Land	145,000.00
Buildings	422,024.71
Building Improvements	350,822.58
Equipment	<u>251.78</u>
Total Fixed Assets	<u>918,099.07</u>
Less Accum. Depreciation	<u>(296,440.64)</u>
Total Net Fixed Assets	<u>621,658.43</u>

Other Assets

Deposits	<u>2,000.00</u>
Total Other Assets	<u>2,000.00</u>

Total Assets **\$19,100,463.07**

Liabilities and Net Assets

Current Liabilities

Security Deposit	\$ 5,110.00
Deferred Revenue	<u>109,445.00</u>
Total Current Liabilities	<u>114,555.00</u>

Net Assets

Nonspendable Fund Balance	621,658.43
Restricted Fund Balance	208,000.00
Assigned Fund Balance	5,464,554.00
Unassigned Fund Balance	6,630,697.70
Net Income Excess (Deficit)	<u>6,060,997.94</u>
Total Net Assets	<u>18,985,908.07</u>

Total Liabilities and Net Assets **\$19,100,463.07**

West Volusia Hospital Authority
Statement of Revenue and Expenditures
Modified Cash Basis
Budget and Actual

For the 1 Month and 3 Months Ended December 31, 2016

	<u>ANNUAL BUDGET</u>	<u>CURRENT PERIOD ACTUAL</u>	<u>YEAR TO DATE ACTUAL</u>	<u>BUDGET BALANCE</u>
Revenue				
Ad Valorem Taxes	\$12,500,000.00	\$ 7,972,511.65	\$10,234,116.60	\$ 2,265,883.40
Investment Income	65,000.00	5,048.46	12,509.02	52,490.98
Rental Income	67,301.00	5,608.42	16,825.26	50,475.74
Other Income	0.00	66.17	24,779.18	(24,779.18)
Total Revenue	12,632,301.00	7,983,234.70	10,288,230.06	2,344,070.94
Healthcare Expenditures				
Adventist Health Systems	5,575,949.00	245,279.57	1,477,467.23	4,098,481.77
Northeast Florida Health Services	1,448,938.00	70,041.94	350,565.96	1,098,372.04
Specialty Care	2,919,675.00	107,184.90	903,604.75	2,016,070.25
County Medicaid Reimbursement	2,197,953.00	182,706.67	548,120.01	1,649,832.99
The House Next Door	181,975.00	9,416.04	24,466.28	157,508.72
The Neighborhood Center	70,000.00	5,914.16	31,380.42	38,619.58
Rising Against All Odds	210,000.00	24,409.00	59,824.24	150,175.76
Community Legal Services	80,000.00	0.00	0.00	80,000.00
Hispanic Health Initiatives	100,000.00	0.00	0.00	100,000.00
Florida Dept of Health Dental Svcs	300,000.00	9,382.45	13,511.89	286,488.11
Good Samaritan	82,712.00	5,034.50	12,780.50	69,931.50
Global Healthcare System	350,000.00	2,044.00	5,818.00	344,182.00
Stewart Marchman - ACT	960,336.00	79,610.40	209,318.87	751,017.13
Health Start Coalition of Flagler & Volusi	142,400.00	10,176.20	31,091.56	111,308.44
H C R A	819,612.00	0.00	30,111.08	789,500.92
Other Healthcare Costs	936,847.00	0.00	0.00	936,847.00
Total Healthcare Expenditures	16,376,397.00	751,199.83	3,698,060.79	12,678,336.21
Other Expenditures				
Advertising	112,000.00	2,500.00	28,132.75	83,867.25
Annual Independent Audit	15,500.00	0.00	0.00	15,500.00
Building & Office Costs	6,500.00	1,706.00	3,053.88	3,446.12
General Accounting	68,100.00	10,617.00	19,636.00	48,464.00
General Administrative	65,100.00	6,361.25	11,697.50	53,402.50
Legal Counsel	120,000.00	3,290.00	21,610.00	98,390.00
Special Accounting	5,000.00	0.00	0.00	5,000.00
City of DeLand Tax Increment District	40,000.00	0.00	0.00	40,000.00
Tax Collector & Appraiser Fee	500,000.00	199,177.44	245,185.76	254,814.24
TPA Services	400,000.00	0.00	81,750.00	318,250.00
Eligibility / Enrollment	85,745.00	0.00	45,476.00	40,269.00
Healthy Communities	72,036.00	5,238.82	16,149.48	55,886.52
Application Screening	205,477.00	13,517.97	40,602.90	164,874.10
Workers Compensation Claims	15,000.00	0.00	15,155.81	(155.81)
Other Operating Expenditures	10,000.00	168.75	721.25	9,278.75
Total Other Expenditures	1,720,458.00	242,577.23	529,171.33	1,191,286.67
Total Expenditures	18,096,855.00	993,777.06	4,227,232.12	13,869,622.88
Excess (Deficit)	<u>\$(5,464,554.00)</u>	<u>\$ 6,989,457.64</u>	<u>\$ 6,060,997.94</u>	<u>\$11,525,551.94</u>

See Accountants' Compilation Report

West Volusia Hospital Authority
Schedule I - Healthcare Expenditures
Modified Cash Basis
Budget and Actual

For the 1 Month and 3 Months Ended December 31, 2016

	<u>ANNUAL BUDGET</u>	<u>CURRENT PERIOD ACTUAL</u>	<u>YEAR TO DATE ACTUAL</u>	<u>BUDGET BALANCE</u>
Healthcare Expenditures				
Adventist Health Systems				
Florida Hospital DeLand	\$ 2,675,474.50	\$ 116,615.80	\$ 659,202.13	\$ 2,016,272.37
Florida Hospital Fish Memorial	2,675,474.50	112,238.12	746,240.57	1,929,233.93
Florida Hospital DeLand - Physicians	112,500.00	9,204.66	38,443.05	74,056.95
Florida Hospital Fish - Physicians	112,500.00	7,220.99	33,581.48	78,918.52
Northeast Florida Health Services				
Primary Care Clinics	730,000.00	14,170.50	172,718.52	557,281.48
Obstetrics	30,000.00	1,128.00	8,877.00	21,123.00
Pharmacy	688,938.00	54,743.44	168,970.44	519,967.56
Specialty Care				
Specialty Care Providers	2,612,610.00	103,531.10	818,975.03	1,793,634.97
Laboratory Services	307,065.00	3,653.80	84,629.72	222,435.28
County Medicaid Reimbursement	2,197,953.00	182,706.67	548,120.01	1,649,832.99
Florida Dept of Health Dental Svcs	300,000.00	9,382.45	13,511.89	286,488.11
Good Samaritan				
Good Samaritan Health Clinic	25,000.00	1,714.50	5,020.50	19,979.50
Good Samaritan Dental Clinic	57,712.00	3,320.00	7,760.00	49,952.00
Global Healthcare System				
Global Health Care	150,000.00	1,596.00	5,370.00	144,630.00
Global Healthcare System Urgent Care	200,000.00	448.00	448.00	199,552.00
The House Next Door	181,975.00	9,416.04	24,466.28	157,508.72
The Neighborhood Center	70,000.00	5,914.16	31,380.42	38,619.58
Rising Against All Odds	210,000.00	24,409.00	59,824.24	150,175.76
Community Legal Services	80,000.00	0.00	0.00	80,000.00
Hispanic Health Initiatives	100,000.00	0.00	0.00	100,000.00
Stewart Marchman - ACT				
SMA - ARNP Services at THND	7,000.00	385.00	1,066.00	5,934.00
SMA - Homeless Program	78,336.00	8,430.59	19,411.37	58,924.63
SMA - Residential Treatment	450,000.00	42,944.45	106,672.40	343,327.60
SMA - Baker Act - Match	425,000.00	27,850.36	82,169.10	342,830.90
Health Start Coalition of Flagler & Volusia				
HSCFV - Outreach	73,500.00	6,225.12	18,109.44	55,390.56
HSCFV - Fam Services	68,900.00	3,951.08	12,982.12	55,917.88
HCRA				
H C R A - In County	400,000.00	0.00	8,875.68	391,124.32
H C R A - Outside County	419,612.00	0.00	21,235.40	398,376.60
Other Healthcare Costs	936,847.00	0.00	0.00	936,847.00
Total Healthcare Expenditures	\$16,376,397.00	\$ 751,199.83	\$ 3,698,060.79	\$12,678,336.21

See Accountants' Compilation Report

West Volusia Hospital Authority
Schedule II - Statement of Revenue and Expenditures
Modified Cash Basis

For the 1 Month and 3 Months Ended December 31, 2016 and December 31, 2015

	<u>1 Month Ended December 31, 2016</u>	<u>1 Month Ended December 31, 2015</u>	<u>3 Months Ended December 31, 2016</u>	<u>3 Months Ended December 31, 2015</u>
Revenue				
Ad Valorem Taxes	\$ 7,972,511.65	\$ 7,958,727.27	\$10,234,116.60	\$10,247,897.16
Investment Income	5,048.46	4,538.33	12,509.02	12,568.06
Rental Income	5,608.42	5,531.00	16,825.26	16,719.00
Other Income	66.17	21.00	24,779.18	26.00
Total Revenue	<u>7,983,234.70</u>	<u>7,968,817.60</u>	<u>10,288,230.06</u>	<u>10,277,210.22</u>
Healthcare Expenditures				
Adventist Health Systems	245,279.57	174,173.65	1,477,467.23	780,789.57
Northeast Florida Health Services	70,041.94	92,846.44	350,565.96	355,452.14
Specialty Care	107,184.90	123,523.11	903,604.75	568,062.92
County Medicaid Reimbursement	182,706.67	175,195.50	548,120.01	525,586.50
Florida Dept of Health Dental Svcs	9,382.45	0.00	13,511.89	0.00
Good Samaritan	5,034.50	5,094.50	12,780.50	21,133.00
Global Healthcare System	2,044.00	0.00	5,818.00	0.00
The House Next Door	9,416.04	4,503.00	24,466.28	13,876.12
The Neighborhood Center	5,914.16	1,303.12	31,380.42	5,588.38
Rising Against All Odds	24,409.00	14,401.31	59,824.24	27,136.37
Stewart Marchman - ACT	79,610.40	88,001.14	209,318.87	174,050.35
Health Start Coalition of Flagler & Volusi	10,176.20	0.00	31,091.56	0.00
H C R A	0.00	4,093.84	30,111.08	39,823.67
Total Healthcare Expenditures	<u>751,199.83</u>	<u>683,135.61</u>	<u>3,698,060.79</u>	<u>2,511,499.02</u>
Other Expenditures				
Advertising	2,500.00	3,000.00	28,132.75	4,569.60
Building & Office Costs	1,706.00	917.50	3,053.88	1,195.83
General Accounting	10,617.00	6,533.50	19,636.00	17,361.25
General Administrative	6,361.25	6,006.25	11,697.50	11,521.25
Legal Counsel	3,290.00	3,240.00	21,610.00	29,030.00
Other Operating Expenditures	168.75	2,320.00	721.25	8,119.41
Tax Collector & Appraiser Fee	199,177.44	159,174.55	245,185.76	256,297.33
TPA Services	0.00	0.00	81,750.00	55,460.00
Eligibility / Enrollment	0.00	0.00	45,476.00	10,342.00
Healthy Communities	5,238.82	4,782.48	16,149.48	15,266.43
Application Screening	13,517.97	8,801.33	40,602.90	23,611.66
Workers Compensation Claims	0.00	0.00	15,155.81	15,389.78
Total Other Expenditures	<u>242,577.23</u>	<u>194,775.61</u>	<u>529,171.33</u>	<u>448,164.54</u>
Total Expenditures	<u>993,777.06</u>	<u>877,911.22</u>	<u>4,227,232.12</u>	<u>2,959,663.56</u>
Excess (Deficit)	<u>\$ 6,989,457.64</u>	<u>\$ 7,090,906.38</u>	<u>\$ 6,060,997.94</u>	<u>\$ 7,317,546.66</u>

LEGAL UPDATE MEMORANDUM

TO: WVHA Board of Commissioners

DATE: January 10, 2016

FROM: Theodore W. Small, Jr.

RE: West Volusia Hospital Authority - Update for January 19, 2017 Regular Meeting

Summarized below are updates on active legal matters/issues for which some new information has become available since my last legal update dated November 8, 2016. This Memorandum will not reflect updates on matters resolved by a final vote of the Board and thereby already summarized in the 11/17/16 Meeting Minutes.

I. Hill & Hollis Enterprises, Inc.—Addendum 1 to WVHA Agreement

The WVHA Agreement approved during the November 17, 2016 Agreement was presented to the Board as a sample contract and lacked any terms to establish a payment schedule for the \$99,500 total amount. Hill & Hollis originally sent over an invoice to DRT seeking payment of the entire amount upfront, for which DRT sought counsel's advice on how to handle. Counsel opined that this type of upfront payment could render the "guarantee" provision in the approved contract feckless and could place WVHA in a position it has not been in since the Impact Healthcare/Darwin Kelly transaction over a decade ago where WVHA would have to sue Hill & Hollis to recover its unearned monies. After consulting with several board members and DRT and further negotiations with Hill & Hollis, counsel agreed to recommend and Hill & Hollis agreed to accept a modification styled as "Addendum 1 to WVHA Agreement". The proposed modification reflects a payment schedule which DRT felt comfortable prior to the January 2017 meeting and then a slightly accelerated payment schedule for remaining 9 payments. The modification was also necessary to clarify the terms of Hill & Hollis's commitment to utilize Deltona High School which terms reflect discussions between those two entities that occurred subsequent to the November 17th meeting.

II. Mainstreet Community Bank of Florida—WVHA "Additional Terms and Conditions"

As anticipated in counsel's verbal report during the November 17th meeting, Mainstreet Community Bank of Florida eventually approved all of counsel's suggested modifications to its standard terms and conditions. These modifications were necessary in order to reflect the distinct relationship between individual Board members and WVHA as a public entity as compared to individual members of a corporate board and the corporation. Those additional terms as well as the minimum interest rate and six-month notice requirements are reflected in the modification styled as "Additional Terms and Conditions" dated November 22, 2016.

III. WVHA Health Card Program Eligibility Guidelines. [See new info. in italics and bold]

[Refer back to Legal Update Memorandum dated 4/9/14, 7/19/14, 9/17/14, 11/12/14, 2/11/15, 6/10/2015, 10/7/15, 11/11/15, 3/9/16 and 4/12/16 for additional background details.]

From the inception, the Guidelines were adopted from a legal perspective to establish uniform, fair and non-discriminatory standards to comply with the Enabling Legislation's requirement that tax dollars are spent on primarily individuals who are both "residents" of the Tax District and who are "indigent" as defined within the Guidelines.

It is noteworthy that currently the Guidelines are utilized by WVHA in two distinct ways which are often confused by providers, potential providers and applicants for funding:

1. First, they are utilized by WVHA's third party administrator ("TPA"), currently POMCO, as the governing rules for determining who is eligible to receive a WVHA Health Card. Once deemed eligible by POMCO, an applicant receives a Health Card (effective usually for 6 months) which automatically makes them eligible to receive hospital care, primary care, dental care, specialty care and pharmacy benefits at any provider who has signed a funding agreement to provide such services to those who are currently enrolled in the Health Card Program;
2. Second, the Guidelines are incorporated in whole or part as the governing rules for a funded agency to qualify some of their individual clients to become eligible for WVHA reimbursement (at the contracted rate) for contracted services at that agency only. Even though these individuals are generally required to provide the same information, including proof that they have applied for the ACA and that they are not qualified for Medicaid or other affordable private health insurance, the individuals who qualify through these funded agencies do not receive a Health Card and therefore are not automatically eligible to receive other healthcare services available at other funded agencies, the hospitals, specialty care providers, pharmacy benefits, etc.

For the next round of overall revisions to the Eligibility Guidelines, Counsel will consult with POMCO and develop a joint recommendation regarding Commissioner Dickinson's concern about the potential overbreadth of "any encumbrances" in the current Eligibility Guidelines concerning what encumbrances will be considered by POMCO when evaluating the equity value of real property. See Eligibility Guidelines Revised 6/16/2016, Section 11:03 Procedures (2. Assets to be considered; b. Equity value of real property other than homestead. The value is verified by the property appraiser of the county in which the property is located. The equity value is determined by subtracting the amount of any encumbrances from the value of the asset).

Counsel anticipates POMCO revising its "Suggested Schedule and Process of WVHA Eligibility Guideline Recommended Changes" to reflect the Board's consensus guidance upon review of the initial draft during the November 17th meeting, including: 1. the addition of DRT and Board members themselves as proposers of EG changes and 2. establishment of an annual EG review schedule starting with a presentation by POMCO of a compilation of proposed changes in March and then after Board review, deliberation and voting by May Regular Meeting, the newly amendments would take effect in June of

each year; provided however, the Board would consider amending the EGs more frequently than annually where it is demonstrated by POMCO and/or other proposers that such exceptional action is necessary to fulfill the public purposes of WVHA.

Counsel has also been involved in the background discussions and anticipates supporting POMCO's recommendation that the AIDS Drug Assistance Programs ("ADAP") program NOT be considered other insurance that disqualifies an applicant who is otherwise qualified to become eligible for the WVHA Health Card Program. Based on consultations with the House Next Door and Rising Against All Odds, it appears that ADAP is a federal program administered through the Florida Department of Health to provide HIV-related prescription drugs to low-income individuals with limited or no prescription drug coverage. It is exclusive to HIV related prescriptions.

IV. Formal Notice of Potential Claim for Damages against WVHA corporately and Chair Ferrari individually by Travis McBride and Central Florida Mental Health Associates, LLC. [See new info. in italics and bold]

[Refer back to Legal Update Memorandum dated 6/10/15 and 8/12/15 for additional background details.]

In a second certified letter to Counsel dated 5/19/2015, McBride's attorney (Gary J. Boynton, Esq of Winter Park) notified WVHA that McBride and his company intend to sue Chair Ferrari individually and WVHA "corporately". Regarding the basis for the threatened lawsuit, this second letter modifies the original notice by including the following dates of alleged damage:

"The nature of the claim includes, but is not limited to, defamation, slander and interference with their contractual relationship. The onset of these damages began on June 22, 2014 and again on 07/24/14, 07/25/14, 08/22/14, 08/24/14, 08/25/14, 03/11/15, and continuing."

Based on public record search and shared information from Commissioner Ferrari, Attorney Boynton filed the threatened lawsuit on June 16, 2016 against Andy Ferrari individually and West Volusia Hospital Authority as defendants. The Case is pending in the Volusia County Circuit Court (civil) and it has been assigned to Judge Randell H. Rowe. The docket reflects that a 20-day summons was issued for WVHA, but Ms. Long has confirmed that this summons has not been served upon WVHA at its official address. The Complaint available online reveals that Travis McBride is alleging two counts ("tortious interference with a business relationship" and "deceptive and unfair and trade practices") against both WVHA and Ferrari and one count of "defamation" against Ferrari individually. In layman's terms, both counts against WVHA contend that WVHA is liable because Ferrari made statements or took actions that caused harm to Central Florida Mental Health Associates ("CFMHA") while he was acting as the "agent", "servant" or "employee" of WVHA.

As previously authorized by the Board, Counsel intends to vigorously defend these claims against WVHA once it has been properly served. Counsel will depend on DRT to notify Counsel as soon as it receives the summons so that an appropriate response can be filed within the 20-day time limit. Counsel was copied on a letter from the County of Volusia's Legal

Department notifying CFMHA's attorney that he had misdirected a summons to the Chair of the County Council instead of directing it to the actual named co-defendant, WVHA. Counsel has been contacted by Attorney Boynton's legal assistant acknowledging that the summons was erroneously served on the Chair of the County Council. Counsel advised the legal assistant that WVHA insists upon formal service of such matters and directed the legal assistant to <http://westvolusiahospitalauthority.org/> in order to obtain contact information.

It is also noteworthy that Attorney Tanner Andrews has notified Counsel that he has entered an appearance as defense counsel to represent Commissioner Ferrari individually in this lawsuit. Attorney Andrews has also made Counsel aware that on December 6, 2016, Attorney Boynton filed Suggestion of Bankruptcy on behalf of Mr. McBride but to date the trustee in the federal bankruptcy case has not entered an appearance to assert any rights to the case as a potential asset of the bankruptcy estate.

V. **Workers Compensation Case.** [*See new info. in italics and bold*]

[Refer back to Legal Update Memorandum dated 1/7/15, 5/8/13, 11/7/12, 8/10/12, 3/10/15 and 2/10/16 for additional background details.]

Contrary to most common sense expectations, the Authority--which terminated its last employees in 2006 and sold the hospitals in 2000--remains liable on periodic "tail" treatment claims for injuries to its former hospital employees. Since 2000, these treatment claims have been processed (assessed for relationship to original injury and eligibility for payment determined) by Adventist Health System's Worker's Compensation Department ("Adventist"). Adventist has retained specialized worker's compensation counsel (Jeffrey J. Branham of the firm of Dean, Ringers, Morgan & Lawton, P.A.) to handle any of the specialized legal matters that come up from time to time. The undersigned oversees the separately retained counsel by reviewing and giving provisional approval for Adventist to pay their bills. Of the many worker's compensation claims that were active in 2000, by 2007 only one former hospital workers continues to actively treat and submit substantial claims.

The Adventist Claims Manager, Rhonda Fletcher, who is responsible for this one remaining claim provided Counsel with an update on the current status of Adventist's periodic filings to the State's Special Disability Trust Fund ("SDTF") for reimbursement of WVHA's payments on behalf of this one remaining claimant who is 81 years old. Ms. Fletcher with counsel from Attorney Branham submitted the latest request to SDTF on September 8, 2016 seeking on behalf of WVHA reimbursement at 100% of its payments of \$62,859.89 which WVHA has reimbursed to Adventists since the last request to continue treatments for this claimant. SDTF's published turnaround on such requests is 36 months, but it has generally processed payments within a year if it doesn't find any errors on the request. Counsel has notified DRT of this anticipated reimbursement so that it can be tracked appropriately on all accounting records.

VI. General Compliance with the Sunshine Law:

The Government in the Sunshine Law, section 286.011, Florida Statutes, provides in pertinent part:

'All meetings of any board or commission . . . of any agency or authority of any county, municipal corporation, or political subdivision . . . at which official acts are to be taken are declared to be public meetings open to the public at all times, and no resolution, rule, or formal action shall be considered binding except as taken or made at such meeting.'

It is impossible to summarize all relevant points of the Sunshine Law, but please note that courts uniformly interpret this provision as prohibiting two or more members of the same board or commission from discussing any matter on which foreseeable action will be taken by the public board or commission. (If your discussion with another board member concerns personal or business matters unrelated to the Authority, the Sunshine Law does not apply)

Please note that the Sunshine Law DOES apply to "off-the record" chats during meetings or during breaks, written correspondence, telephone conversations and e-mails exchanges between two or more board members if such communication concerns matters likely to come before the Board. It also prohibits nonmembers (staff, lawyers, accountants, and members of the public) from serving as liaisons between Board members concerning matters likely to come before the Board.

Please note that as the Board's attorney, Counsel's role is to assist the aggregate Board with legal compliance, not to provide individualized legal opinions to a particular board member. For specific questions concerning your own compliance, please direct those inquiries to the Florida Commission on Ethics. Their website can be found at <http://www.ethics.state.fl.us/>. Although their website material suggests the need for a written inquiry, each individual Board member is a "public officer" and thereby has the right to obtain informal telephone advice on common questions at (850) 488-7864.



ADDITIONAL TERMS AND CONDITIONS

Customer Name: West Volusia Hospital Authority
Account Number: ***3155

1. Number of signatures required for withdrawal or stop payment orders is two (2) of the individual signatories, which shall be updated at least annually to verify that it reflects current membership of the Board of Commissioners of the West Volusia Hospital Authority ("WVHA Board").
2. The "Terms and Conditions" are varied to make inapplicable the "Credit Verification" provisions authorizing Mainstreet to verify credit and employment history and/or have a credit reporting agency prepare a credit report on individual signatories.
3. The Terms and Conditions are varied to make inapplicable the "Liability" provisions to the extent they can be interpreted to provide for individual signatories to be "jointly and severally" liable for any account deficit.
4. The Terms and Conditions are varied to make inapplicable the "Setoff" provisions that would allow Mainstreet to set off funding in this Deposit Account for any due and payable debt of any signatory in their individual capacity.
5. The Terms and Conditions are varied to make inapplicable the various "Notice" and "Waiver of Notice" provisions to the extent they would authorize Mainstreet not to give any notice or notice to only one of the individual signatories. Instead, Mainstreet agrees to always provide notice of such transactions to the following address:

West Volusia Hospital Authority
Attn: Chairman
c/o DREGGORS, RIGSBY & TEAL, PA
1006 N. Woodland Blvd.
DeLand, Florida 32720

6. This Deposit Account shall not allow for Telephone Transfers, Telephonic Instruction, Remotely Created Checks, Facsimile Signatures, ATM Withdrawals, Debit or Credit Card Transactions, or ACH and Wire Transfers.
7. Until varied by a WVHA Board Resolution, withdrawals from this Deposit Account may only be authorized by having at two of the signatories visiting one of Mainstreet's branch offices and dually signing check(s) as written and then having the check(s) converted to a cashier's check (at no charge) and then issuing these for payment to the payee indicated on each of the dually signed check.
8. Minimum Interest rate will be set at .45bp (adjusted +.20bp higher than our posted money market account rate, which is currently .25bp on 11/18/16).
9. Mainstreet Community Bank of Florida (Bank) will provide a six month notice in writing to the West Volusia Hospital Authority if the Bank desires to reduce Public Fund exposure and request the account be moved to another institution. This notice requirement will not be required in the event of any state or federal regulatory requirement issued to the Bank mandating a reduction of such Public Fund exposure. In the latter case, we will provide as much notice as possible to the West Volusia Hospital Authority.

The above items have been previously agreed to by West Volusia Hospital Authority Board of Commissioners as noted on the signature card for account ***3155.

Mainstreet Community Bank of Florida
Stephanie Koshiol

11/22/16
Date

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