

**WEST VOLUSIA HOSPITAL AUTHORITY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2021**

**WEST VOLUSIA HOSPITAL AUTHORITY  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**TABLE OF CONTENTS**

	<b><u>Page Number(s)</u></b>
<b>Independent Auditors' Report</b>	1 – 2
<b>Management's Discussion and Analysis</b>	3 – 7
<b>Basic Financial Statements</b>	
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
<b>Schedule of Healthcare and Other Expenditures</b>	16
<b>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</b>	17 – 18
<b>Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General</b>	19 – 21
<b>Independent Accountants' Examination Report</b>	22



## 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, 2021, 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, 2021, 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 of 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.

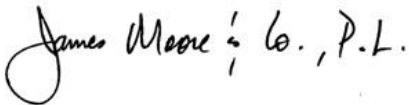
### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of healthcare and other 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 February 17, 2022, 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Daytona Beach, Florida  
February 17, 2022

**WEST VOLUSIA HOSPITAL AUTHORITY**  
**An Independent Special District**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended September 30, 2021**

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, 2021. 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 \$20,234,963 at the close of the fiscal year.
- As a result of the current year's operations, the Authority's net position increased \$2,477,926 from the last fiscal year. The Authority's cash and cash equivalents increased \$2,138,544 from the previous year. Accounts payable at year end decreased by \$429,185 due to a change in the Authority's position on Medicaid liability.
- 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 assets. Interest income decreased by \$94,166 due to a decrease in interest rates.
- Healthcare expenditures decreased by \$801,536 due to fewer medical visits in 2021. The Authority continues to require health card applicants to apply for coverage under the Affordable Care Act ("ACA"). This requirement became effective starting January 1, 2014.

**WEST VOLUSIA HOSPITAL AUTHORITY**  
**An Independent Special District**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**Year Ended September 30, 2021**

**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, 2021**

**Government-wide Financial Analysis**

**Statement of Net Position**

Net position increases when revenues exceed expenditures. At the close of the fiscal year, assets exceeded liabilities by \$20,234,963 which is an increase from the preceding year of \$2,477,926.

	2021	2020
Assets:		
Current assets	\$20,864,199	\$18,711,849
Capital assets, net	554,173	526,156
Prepaid items and deposits	2,000	133,626
Total Assets	21,420,372	19,371,631
Liabilities:		
Current liabilities	977,409	1,406,594
Workers' Compensation Claims payable	208,000	208,000
Total Liabilities	1,185,409	1,614,594
Net position:		
Invested in capital assets	554,173	526,156
Unrestricted	19,680,790	17,230,881
Total Net position	\$20,234,963	\$17,757,037

**WEST VOLUSIA HOSPITAL AUTHORITY**  
**An Independent Special District**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**Year Ended September 30, 2021**

**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.

	<u>2021</u>	<u>2020</u>
Ad valorem taxes	\$ 17,078,881	\$ 19,484,807
Investment income	39,488	133,654
Rental income	-0-	65,064
Other income	79,553	19,209
Total revenue	<u>17,197,922</u>	<u>19,702,734</u>
Healthcare expenditures	14,677,155	15,478,691
Depreciation	42,841	28,217
Total Expenses	<u>14,719,996</u>	<u>15,506,908</u>
Change in net position	2,477,926	4,195,826
Net position - beginning	<u>17,757,037</u>	<u>13,561,211</u>
Net position - ending	<u><u>\$20,234,963</u></u>	<u><u>\$17,757,037</u></u>



**WEST VOLUSIA HOSPITAL AUTHORITY**  
**An Independent Special District**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**Year Ended September 30, 2021**

**Economic Factors and Changes on the Horizon**

The Authority exists to provide access to healthcare for qualified uninsured residents of the taxing district. The Authority requires all applicants for the Authority's program to apply for coverage through the federal exchange, as well as Medicaid. In 2020, many businesses in the West Volusia area experienced shutdowns and service interruptions due to Covid-19. This pandemic led to the expansion of health card enrollment. While enrollment increased, medical visits decreased. The decrease in medical visits is attributed to improving health conditions for some health card members and a fear by some health card members of seeking services where they may be exposed to a Covid positive individual. It is anticipated that as the Covid-19 pandemic subsides, health card members will be more willing to visit medical facilities and the demand for services will increase. 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. Beginning on October 1, 2020, the Authority changed primary care providers by establishing third-party managed clinics for only the health card members. These clinics are expected to be able to streamline medical care, provide more comprehensive care, and reduce costs. For the September 30, 2022 fiscal year, the Board set its final millage rate at 1.4073 mills which equal to the rollback rate.

**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, 2021**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$20,761,901	\$ -	\$20,761,901
Taxes receivable	102,298	-	102,298
Prepaid items and deposits	2,000	-	2,000
Property and equipment, net	-	554,173	554,173
<b>Total Assets</b>	<b>\$ 20,866,199</b>	<b>\$ 554,173</b>	<b>\$ 21,420,372</b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	\$ 977,409	\$ -	\$ 977,409
Workers' compensation claims payable	-	208,000	208,000
<b>Total Liabilities</b>	<b>\$ 977,409</b>	<b>\$ 208,000</b>	<b>\$ 1,185,409</b>
<b><u>DEFERRED INFLOWS</u></b>			
Unavailable revenue - taxes receivable	\$ 91,293	\$ (91,293)	\$ -
<b><u>FUND BALANCE / NET POSITION</u></b>			
Fund balance:			
Nonspendable:			
Prepaid items and deposits	\$ 2,000	\$ (2,000)	\$ -
Assigned			
Subsequent year's budget	1,177,700	(1,177,700)	-
Unassigned	18,617,797	(18,617,797)	-
Net position:			
Investment in capital assets	-	554,173	554,173
Unrestricted	-	19,680,790	19,680,790
<b>Total Fund Balance / Net Position</b>	<b>\$ 19,797,497</b>	<b>\$ 437,466</b>	<b>\$ 20,234,963</b>

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, 2021**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Ad valorem taxes	\$ 17,072,528	\$ 6,353	\$ 17,078,881
Interest income	39,488	-	39,488
Miscellaneous	79,553	-	79,553
Total revenues	<u>17,191,569</u>	<u>6,353</u>	<u>17,197,922</u>
<b>Expenditures / expenses</b>			
Healthcare and other	14,677,155	-	14,677,155
Capital outlay	70,858	(70,858)	-
Depreciation	-	42,841	42,841
Total expenditures / expenses	<u>14,748,013</u>	<u>(28,017)</u>	<u>14,719,996</u>
<b>Net change in fund balance / net position</b>	<u>2,443,556</u>	<u>34,370</u>	<u>2,477,926</u>
<b>Fund balance / net position, beginning of year</b>	17,353,941	403,096	17,757,037
<b>Fund balance / net position, end of year</b>	<u>\$ 19,797,497</u>	<u>\$ 437,466</u>	<u>\$ 20,234,963</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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 16,431,158	\$ 16,431,158	\$ 17,072,528	\$ 641,370
Interest income	135,000	135,000	39,488	(95,512)
Miscellaneous	-	-	79,553	79,553
Total revenues	<u>16,566,158</u>	<u>16,566,158</u>	<u>17,191,569</u>	<u>625,411</u>
<b>Expenditures</b>				
Healthcare	14,905,970	14,905,970	12,745,523	2,160,447
Other	3,660,188	3,660,188	2,002,490	1,657,698
Total expenditures	<u>18,566,158</u>	<u>18,566,158</u>	<u>14,748,013</u>	<u>3,818,145</u>
<b>Net change in fund balance</b>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>2,443,556</u>	<u>4,443,556</u>
<b>Fund balance, beginning of year</b>	17,353,941	17,353,941	17,353,941	-
<b>Fund balance, end of year</b>	<u>\$ 15,353,941</u>	<u>\$ 15,353,941</u>	<u>\$ 19,797,497</u>	<u>\$ 4,443,556</u>

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

**WEST VOLUSIA HOSPITAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**(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, 2021**

(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 acquisition 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 3 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 equity**—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 (prepaids and deposits) 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.

In order to determine amounts reported as restricted and unrestricted net position, it is the Authority's policy to consider restricted net position to have been used before unrestricted net position is applied.

(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, 2021**

**(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 are included in the “Adjustments” column on the statement of revenues, expenditures, and changes in fund balance / statement of activities and consist of depreciation expense for the year and the full change in available taxes receivable.

**(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, 2021, 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 and May
Tax certificates are sold on all real estate with unpaid real estate property taxes (lien date).	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, 2021**

**(4) Deposits and Investments:**

At September 30, 2021, the carrying amount of the Authority's cash on deposit in its bank accounts was \$20,761,901 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, 2021, were as follows:

	<b>Balance October 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance September 30, 2021</b>
Capital assets not being depreciated:				
Land	\$ 145,000	\$ -	\$ -	\$ 145,000
Total capital assets not being depreciated	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>145,000</u>
Capital assets being depreciated:				
Machinery and equipment	17,618	36,357	-	53,975
Buildings	772,848	34,501	-	807,349
Accumulated depreciation	<u>(409,310)</u>	<u>(42,841)</u>	<u>-</u>	<u>(452,151)</u>
Total capital assets being depreciated, net	<u>381,156</u>	<u>28,017</u>	<u>-</u>	<u>409,173</u>
<b>Capital Assets, net</b>	<u><u>\$ 526,156</u></u>	<u><u>\$ 28,017</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 554,173</u></u>

Depreciation expense for the year ended September 30, 2021, was \$42,841.

**(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.



**WEST VOLUSIA HOSPITAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**(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.

During the year ended September 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Authority as of February 17, 2022, management believes that a material impact on the Authority's financial position and results of future operations is reasonably possible.

**(8) New Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Many of these standards have been deemed to have no impact on the Authority and have been considered to be early-implemented. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

**WEST VOLUSIA HOSPITAL AUTHORITY**  
**SCHEDULE OF HEALTHCARE AND OTHER EXPENDITURES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>Expenditures</b>		
Healthcare expenditures		
Baker Act, substance abuse and mental health programs	\$ 1,106,373	\$ 1,164,403
Hospital indigent care reimbursements	2,186,225	3,771,176
Hospital - physicians services	-	210,717
Health Care Responsibility Act reimbursements	74,277	272,620
KidCare outreach	69,973	42,974
Medicaid reimbursements	1,884,172	2,467,478
Pharmacy program	-	790,461
Primary care and pharmacy services	3,717,976	484,386
Primary care and dental program	165,245	847,627
Specialty care program	3,252,255	3,118,665
HIV outreach	289,027	328,709
Total healthcare expenditures	12,745,523	13,499,216
Other expenditures		
General and administrative	62,959	71,152
Marketing and advertising	5,419	4,133
Third-party administration	524,944	527,301
Eligibility and enrollment oversight	435,260	430,500
Legal	73,530	88,667
Plant and maintenance	20,631	4,001
Professional and accounting fees	74,701	63,623
Tax increment fees - City of DeLand	90,172	90,813
Tax collector and appraiser fees	629,636	683,625
Miscellaneous	14,380	15,660
Capital outlay	70,858	17,366
Total other expenditures	2,002,490	1,996,841
<b>Total expenditures</b>	<b>\$ 14,748,013</b>	<b>\$ 15,496,057</b>

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 17, 2022

***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) as a basis for designing 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

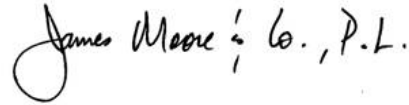
### ***Compliance and Other Matters***

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
February 17, 2022

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is enclosed in a thin black rectangular border.



**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, 2021, and have issued our report thereon dated February 17, 2022.

**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 Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on 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*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 17, 2022, 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. No comments from the second preceding year remain uncorrected. There were no recommendations made in the preceding financial audit report.

**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 and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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 to identify 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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. 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 review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information.

## **Specific Special District Information – West Volusia Hospital Authority**

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported the following unaudited data:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year: -0-.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: -0-.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$-0-.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$-0-.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
  - a. No such projects noted.

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: there were no amendments between the original and final total district expenditure budget.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Authority reported:

- a. The mileage rate or rates imposed by the district: 1.5035.
- b. The total amount of ad valorem taxes collected by or on behalf of the district: \$17,072,528.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds: No such outstanding bonds noted.

### **Additional Matters**

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style and is contained within a thin black rectangular border.

Daytona Beach, Florida  
February 17, 2022



## 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, 2021. The Authority's 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the West Volusia Hospital Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

A handwritten signature in black ink that reads "James Moore &amp; Co., P.L." is enclosed within a thin black rectangular border.

Daytona Beach, Florida  
February 17, 2022