

**BROWARD COUNTY
HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019**

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)**

September 30, 2019

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Independent Auditor's Report

To the Board of Directors
Broward County Health Facilities Authority
Broward County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Broward County Health Facilities Authority (the Authority), a component unit of Broward County, Florida as of and for the year ended September 30, 2019, 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Authority as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

RSM US LLP

Fort Lauderdale, Florida
February 24, 2020

BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2019

This section of the Broward County Health Facilities Authority's (the "Authority") annual financial report presents a narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2019. Please read it in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights

- The assets of the Authority totaled \$79,755, and are equal to the net position at September 30, 2019. This total net position is unrestricted and may be used to meet the Authority's ongoing obligations.
- During the 2019 fiscal year, the Authority's total net position increased by \$17,903. This increase is primarily due to a decrease in grants awarded to non-profit healthcare organizations.
- At the end of the fiscal year, the General Fund reported a total fund balance of \$79,755. The total amount is reported as assigned for the subsequent year's budget.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses may be reported in this statement for some items that will result in cash flows in future fiscal periods, however, none have been reported in the current fiscal year.

The Authority's government-wide financial statements can be found on pages 7-8 of this report.

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2019**

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority only utilizes one governmental fund, the General Fund.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The Authority's governmental fund financial statements can be found on pages 9-10 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-15 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the General Fund. The required supplementary information can be found on pages 16-17 of this report.

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets equaled net position of \$79,755 at the close of the most recent fiscal year. The total net position of \$79,755 was reported as unrestricted, and may be used to meet the Authority's ongoing obligations.

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2019**

**Broward County Health Facilities Authority
Governmental Activities Net Position
As of September 30, 2019 and 2018**

		2019		2018
Current Assets	\$	79,755	\$	61,852
Net Position – Unrestricted	\$	79,755	\$	61,852

The Authority's net position increased by \$17,903 during the current fiscal year as a result of a decrease in grants awarded to non-profit healthcare organizations.

**Broward County Health Facilities Authority Changes in Net Position
Fiscal Years Ended September 30, 2019 and 2018**

		2019		2018
Program Revenues:				
Charges for Services	\$	24,308	\$	30,993
Total Revenues		24,308		30,993
Program Expenses:				
Human Services		6,405		6,072
Payments to Broward County General Fund for Grants		-		90,000
Total Expenditures		6,405		96,072
Increase/(Decrease) in Net Position		17,903		(65,079)
Net Position, Beginning of Year		61,852		126,931
Net Position, End of Year	\$	79,755	\$	61,852

Program revenues – The Authority's charges for services decreased by \$6,685 from the prior year due to a decrease in annual recurring fees. There were no application and issuer's fees received related to financing and refinancing activities for fiscal year 2019.

Program expenses – The Authority's expenses decreased by \$89,667 from the prior year due to a decrease in payments to Broward County General Fund for grants of \$90,000, which was offset by an increase in legal fees of \$158 and an increase in other miscellaneous expenses of \$175 for the State of Florida Special District Accountability Program Fee.

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2019**

The financial analysis presented above for the Authority's governmental activities is the same as for the governmental funds since there were no transactions requiring reconciliation between the governmental funds and the governmental activities.

General Fund Budgetary Highlights

For the year ended September 30, 2019, the total appropriations in the original budget and the final amended budget remained the same. The Authority generated a positive variance of \$1,268 between the final adopted budget and actual results. Actual revenues were \$24,308 or 105.3% of the final budgeted amount of \$23,093. Total expenditures of \$6,405 were below the final adopted budget of \$6,458 by \$53, as some of the amounts that were budgeted for professional services were not spent in FY 2019.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Broward County Health Facilities Authority, 115 South Andrews Avenue, Room 513, Fort Lauderdale, FL 33301, Attention: Finance and Administrative Services Department.

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

ASSETS

Cash and Cash Equivalents	<u>\$ 79,755</u>
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NET POSITION

Unrestricted	<u><u>\$ 79,755</u></u>
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See the accompanying notes to financial statements

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
 BROWARD COUNTY, FLORIDA
 (A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

PROGRAM EXPENSES

Human Services:

Professional Services	\$ 6,405
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PROGRAM REVENUES

Charge for Services - Authority Fee Income	<u>24,308</u>
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Change in Net Position	17,903
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Net Position, Beginning of Year	<u>61,852</u>
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Net Position, End of Year	<u><u>\$ 79,755</u></u>
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See the accompanying notes to financial statements

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2019**

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 79,755</u>
FUND BALANCE	
Assigned - Subsequent Year's Budget	<u>\$ 79,755</u>

See the accompanying notes to financial statements

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
 BROWARD COUNTY, FLORIDA
 (A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
 GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	General Fund
REVENUES	
Charge for Services - Authority Fee Income	\$ 24,308
Total Revenues	24,308
 EXPENDITURES	
Human Services:	
Professional Services	6,405
Total Expenditures	6,405
Excess of Revenues over Expenditures	17,903
 Fund Balance, Beginning of Year	 61,852
 Fund Balance, End of Year	 \$ 79,755

See the accompanying notes to financial statements

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Broward County Health Facilities Authority (the “Authority”) was established in 1977, by Florida Statute Section 154.207 and by the Broward County Board of County Commissioners (BOCC) County Ordinance No. 77-35, for the purpose of assisting health facilities in the acquisition, construction, financing, and refinancing of projects in any incorporated or unincorporated area of Broward County, Florida (the “County”). The Authority is governed by a five-member Board who shall be Broward County residents appointed by the BOCC. Bonds issued by the Authority are not deemed to constitute a debt of the Authority, the County, or any political sub-division thereof. The Authority is authorized to issue bonds to fulfill its corporate purpose in a principal amount for all projects not to exceed \$329,100,000. As of September 30, 2019, the Authority has issued \$288,620,000 in revenue bonds of which \$1,710,000 are outstanding.

These financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting policies.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*, (“GASB 91”). GASB 91 provides state and local governments with a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. The requirements of GASB 91 are effective for fiscal years beginning after December 15, 2020, but the Authority adopted it in the current fiscal year. The adoption of GASB 91 did not have an impact on the Authority’s financial statements because its existing reporting practice was consistent with GASB 91.

A. Reporting Entity

The Authority is considered a component unit of the reporting entity of the County because the BOCC appoints its governing body and is financially accountable for the Authority. The Authority is included in the County’s Comprehensive Annual Financial Report as a discretely presented component unit.

B. Basis of Presentation

Government-wide 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. Governmental activities for the Authority generally are financed through revenues generated by fees.

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Financial Statements

The fund financial statements provide information about the Authority. The General Fund, the Authority's major governmental fund, is used to account for all of the Authority's financial resources and transactions.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resource being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 at the time liabilities are incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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. The Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred.

D. Assets, Liabilities and Net Position or Equity

1. Deposits

The Authority participates in the cash pool maintained by the County. As of September 30, 2019, the Authority's share of the cash pool consisted of cash deposits. Please refer to the County's Comprehensive Annual Financial Report for all risk related disclosures.

2. Net Position and Net Position Flow Assumption

Net position represents the residual interest in the Authority's assets after liabilities are deducted and may consist of three components: net investment in capital assets, restricted and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law

BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components. The Authority's total net position is unrestricted at September 30, 2019.

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to be reported as restricted and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted position to have been depleted before unrestricted net position is applied.

3. *Fund Balance and Fund Balance Flow Assumption*

In the fund financial statements, governmental funds report fund balance in classifications based on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances in the General Fund may be classified as follows:

1. *Non-spendable* – amounts cannot be spent because they are not in spendable form (e.g., inventories, prepaid items and long-term receivables) or are legally or contractually required to be maintained intact.
2. *Restricted* – amounts are restricted to specific purposes due to the constraints imposed externally by creditors, grantors, contributors, laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.
3. *Committed* – amounts can be used for specific purposes pursuant to the constraints imposed by formal actions of the Authority's Board of Directors, the Authority's highest level of decision making authority. Amounts specifically committed for use in satisfying contractual obligations are also included in this classification.
4. *Assigned* – amounts are constrained by the Authority's intent to be used for specific purposes. Intent is expressed by the Authority's Board of Directors.
5. *Unassigned* – residual amount reported in the General Fund.

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted fund balance to have been

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

E. Revenues

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided.

F. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - RELATED PARTY TRANSACTIONS

The County is reimbursed for the costs incurred for certain financial and administrative services rendered to the Authority in accordance with the terms of the professional services agreement between the County and the Authority. This agreement provides that reimbursable costs for services rendered by the County are due and payable at such time as the Authority has sufficient funds to pay such costs. Charges to the Authority from the County for such services totaled \$6,405 during the year ended September 30, 2019.

The County also administers grants to non-profit healthcare organizations located in Broward County on behalf of the Authority. The Authority did not award any grants to the County during the year ended September 30, 2019.

NOTE 3 - INTERLOCAL AGREEMENT AND CONDUIT DEBT OBLIGATIONS

On November 24, 1998, the Authority entered into an Interlocal Agreement (the "1998 Agreement") with Collier County Health Facilities Authority (the "Issuer") to authorize the Issuer to issue tax-exempt revenue bonds (the "Bonds") on behalf of and with the agreement of the Authority to loan a portion of the Bond proceeds to Cleveland Clinic Florida (the "Borrower") for the purpose of providing funds to the Borrower to acquire, construct, renovate, rehabilitate and equip certain healthcare facilities located in Broward County. The Borrower agreed to pay the Authority an up-front fee of 5 basis points of the borrowing attributable to the construction in Broward County. In addition, the Borrower agreed to pay the Authority an annual fee of 5 basis points of the Bonds outstanding on each anniversary of the Bond

BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 - INTERLOCAL AGREEMENT AND CONDUIT DEBT OBLIGATIONS - Continued

issuance date. The Bonds outstanding are not considered a debt or conduit debt of the Authority since they were issued by the Collier County Health Facilities Authority. The final maturity of the Bonds is January 1, 2035 at which time the fees paid by the Borrower to the Authority will cease.

Pursuant to an Interlocal Agreement, dated May 25, 2000, (the “2000 Agreement”) the BOCC of Broward County authorized the Authority to issue Series 2000 Bonds in connection with the refunding of the Catholic Health Services, Inc. Series 1991 Bonds and the financing of improvements to the St. Anne’s Facility. On December 2, 2010, the Broward County Health Facilities Authority Board approved the refinancing of the Series 2000 Bonds. Under the agreement Catholic Health Services, Inc. is the “Conduit Borrower”. The Series 2000 Bonds were refunded on December 22, 2010 through the issuance of \$14,200,000 of Series 2010 Bonds. The Conduit Borrower, through the debt trustee, makes the debt service payments to the bondholder directly until the bonds are paid off. The Conduit Borrower has agreed to pay the Authority 10 basis points of the Series 2010 Bonds outstanding as of September 30th of each year, payable to the Authority on October 1st of each fiscal year. At September 30, 2019, the principal outstanding was \$1,710,000. The final maturity of the Series 2010 Bonds is August 15, 2020. These bonds are considered to be conduit debt of the Authority.

None of the currently outstanding bonds constitute a debt, liability, or obligation of the Authority, the County, the State, or any political subdivision thereof, except for pledged revenues collected. Neither the Authority, the County, the State, nor any political subdivision thereof shall be liable for any other indebtedness or liability which may arise in connection with the issuance of the bonds or the making of the loan. No collateral, security, or commitment is provided by the Authority to support the debt service payment of the bonds.

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
September 30, 2019**

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
 BROWARD COUNTY, FLORIDA
 (A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
 BUDGETARY COMPARISON SCHEDULE (UNAUDITED)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
REVENUES				
Charge for Services - Authority Fee Income	\$ 24,308	\$ 24,308	\$ 24,308	\$ -
Less 5% of Anticipated Revenue	(1,215)	(1,215)	-	1,215
Total Revenues	<u>23,093</u>	<u>23,093</u>	<u>24,308</u>	<u>1,215</u>
EXPENDITURES				
Human Services:				
Professional Services	6,458	6,458	6,405	53
Total Expenditures	<u>6,458</u>	<u>6,458</u>	<u>6,405</u>	<u>53</u>
Excess of Revenues over Expenditures	<u>\$ 16,635</u>	<u>\$ 16,635</u>	<u>\$ 17,903</u>	<u>\$ 1,268</u>

See the accompanying notes to budgetary comparison schedule

**BROWARD COUNTY HEALTH FACILITIES AUTHORITY
BROWARD COUNTY, FLORIDA
(A COMPONENT UNIT OF BROWARD COUNTY, FLORIDA)
NOTE TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1 – BUDGETARY INFORMATION

The Authority prepares an annual operating budget for the general fund which is reflected in these financial statements. The Authority's budgeting process is based on estimates of revenues and expenditures and requires that all budgets be approved by the Authority's Board (the "Board") after a public hearing is held. Subsequent amendments to the budget, if any, are approved by the Board. General Fund appropriations lapse after year end.

Budgets are prepared on the same basis of accounting as required for the governmental fund types and conforms with GAAP.

**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***

Independent Auditor's Report

To the Board of Directors
Broward County Health Facilities Authority Broward County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Broward County Health Facilities Authority (the Authority), a component unit of Broward County, Florida as of and for the year ended September 30, 2019, 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 24, 2020.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

RSM US LLP

Fort Lauderdale, Florida
February 24, 2020



RSM US LLP

Independent Accountant's Report

To the Board of Directors
Broward County Health Facilities Authority
Broward County, Florida

We have examined the Broward County Health Facilities Authority's (the Authority) compliance with the local government investment policy requirements of *Section 218.415, Florida Statutes, Local Government Investment Policies* during the year ended September 30, 2019. The Authority's management is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements 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, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with the local government investment policy requirements of *Section 218.415, Florida Statutes, Local Government Investment Policies* during the year ended September 30, 2019.

This report is intended solely for the information and use of the Florida Auditor General, Broward County Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
February 24, 2020

**Management Letter
in Accordance with the Rules of the
Auditor General of the State of Florida**

To the Board of Directors
Broward County Health Facilities Authority
Broward County, Florida

We have audited the financial statements of the Broward County Health Facilities Authority (the Authority), a component unit of Broward County, Florida as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 24, 2020.

Auditor's 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 Report and Schedule

We have issued our Independent Auditor's 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 Accountant's 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 24, 2020, 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. There were no recommendations made in the preceding annual 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 legal authority is disclosed in the notes to the financial statements.

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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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, the Board of Directors and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
February 24, 2020