

Good Health Foundation, Inc.
(A Component Unit of the Health Care
District of Palm Beach County, Florida)

Financial Report
September 30, 2018

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Independent Auditor's Report

To the Board of Directors
Good Health Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Good Health Foundation, Inc. (the Foundation), a component unit of the Health Care District of Palm Beach County, Florida, which comprise the statements of financial position as of September 30, 2018 and 2017, the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Good Health Foundation, Inc. as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

West Palm Beach, Florida
March 15, 2019

Good Health Foundation, Inc.
(A Component Unit of the Health Care District of Palm Beach County, Florida)

Statements of Financial Position
September 30, 2018 and 2017

	2018	2017
Assets		
Cash	<u>\$ 1,281,830</u>	<u>\$ 1,128,729</u>
Total assets	<u>\$ 1,281,830</u>	<u>\$ 1,128,729</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	<u>\$ -</u>	<u>\$ 2,200</u>
Net assets:		
Unrestricted	56,400	51,099
Temporarily restricted	<u>1,225,430</u>	<u>1,075,430</u>
Total net assets	<u>1,281,830</u>	<u>1,126,529</u>
Total liabilities and net assets	<u>\$ 1,281,830</u>	<u>\$ 1,128,729</u>

See notes to financial statements.

Good Health Foundation, Inc.
(A Component Unit of the Health Care District of Palm Beach County, Florida)

Statement of Activities and Changes in Net Assets
Year Ended September 30, 2018

	Unrestricted	Temporarily Restricted	Total
Contributions, revenues and other support:			
Contributions	\$ 500	\$ 150,000	\$ 150,500
Investment income	8,741	-	8,741
	<hr/>		
Total contributions, revenues and other support	9,241	150,000	159,241
Expenses:			
General and administrative	3,940	-	3,940
	<hr/>		
Change in net assets	5,301	150,000	155,301
Net assets, beginning of year	51,099	1,075,430	1,126,529
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Net assets, end of year	\$ 56,400	\$ 1,225,430	\$ 1,281,830
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See notes to financial statements.

Good Health Foundation, Inc.
(A Component Unit of the Health Care District of Palm Beach County, Florida)

Statement of Activities and Changes in Net Assets
Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Total
Contributions, revenues and other support:			
Contributions	\$ 650	\$ -	\$ 650
Investment income	5,086	-	5,086
	<u>5,736</u>	<u>-</u>	<u>5,736</u>
Net assets released from restrictions for operations	1,000	(1,000)	-
Total contributions, revenues and other support	6,736	(1,000)	5,736
Expenses:			
General and administrative	14,743	-	14,743
Change in net assets	(8,007)	(1,000)	(9,007)
Net assets, beginning of year	59,106	1,076,430	1,135,536
Net assets, end of year	<u>\$ 51,099</u>	<u>\$ 1,075,430</u>	<u>\$ 1,126,529</u>

See notes to financial statements.

Good Health Foundation, Inc.
(A Component Unit of the Health Care District of Palm Beach County, Florida)

Statements of Cash Flows
Years Ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 155,301	\$ (9,007)
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Changes in liabilities:		
Accounts payable	<u>(2,200)</u>	2,200
Net cash provided by (used in) operating activities and increase (decrease) in cash	153,101	(6,807)
Cash, beginning of year	<u>1,128,729</u>	1,135,536
Cash, end of year	<u><u>\$ 1,281,830</u></u>	<u>\$ 1,128,729</u>

See notes to financial statements.

**Good Health Foundation, Inc.
(A Component Unit of the Health Care District of Palm Beach County, Florida)**

Notes to Financial Statements

Note 1. Organization and Mission

Good Health Foundation, Inc. (the Foundation) is a nonprofit corporation organized and operated under the laws of the State of Florida to provide philanthropic resources for the Health Care District of Palm Beach County, Florida (the District). The Foundation's mission is to advance the health of residents and visitors in Palm Beach County through access to local quality health care. The Foundation is a component unit of the District.

The Foundation was originally incorporated in 1994 as the Trauma Foundation of the Palm Beaches, Inc. for the purpose of allowing patients treated in the District's trauma program and others to make tax-deductible charitable contributions to benefit the District's trauma program and the programs of other nonprofit organizations similarly engaged in trauma services, injury prevention and other educational activities related to trauma awareness. The Foundation is governed by an independent Board of Directors that consists of no fewer than 5 and no more than 15 Directors with one representative appointed by the board of District Hospital Holdings, Inc., one representative appointed by the board of District Clinic Holdings, Inc., and one representative appointed by the Glades Rural Area Support Board, with the remaining directors elected by the existing Board of Directors.

In 2006, the Foundation's name was changed to the Glades Healthcare Foundation, Inc., and its purpose was amended to provide financial support for the construction of a new hospital and medical campus in western Palm Beach County, Florida and thereafter to support the ongoing activities of the new hospital and related health care system.

In 2015, the Foundation's name was changed to the Good Health Foundation, Inc.

Note 2. Summary of Significant Accounting Policies

Financial statement presentation: The financial statements are prepared using the accrual basis of accounting. In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Financial Statements of Not-for-Profit Organizations, changes in: (1) unrestricted net assets, (2) temporarily restricted net assets and (3) permanently restricted net assets are separately presented in the accompanying statement of activities and changes in net assets and the statement of financial position to distinguish among these three classes of net assets. The Foundation defines unrestricted net assets as those that are not limited by donor-imposed stipulations. Temporarily restricted net assets represent donor-designated funds to be used for specific projects or time periods. Such restrictions either expire by time or are satisfied through expenditures for the designated purpose. The Foundation does not have any permanently restricted net assets as of September 30, 2018 and 2017.

Use of estimates: Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and changes therein and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Liquidity: The Foundation's assets and liabilities have been sequenced in the statement of financial position according to their nearness of conversion to cash and the nearness of their maturity and resulting use of cash, respectively.

**Good Health Foundation, Inc.
(A Component Unit of the Health Care District of Palm Beach County, Florida)**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Cash: The Foundation maintains cash in bank deposit accounts that, at times, may exceed federally insured limits. At September 30, 2018 and 2017, bank deposits exceeded federal deposit insurance limits by approximately \$1,032,000 and \$879,000, respectively. The Foundation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to such deposits.

Property and equipment: The Foundation capitalizes all property and equipment acquisitions in excess of \$1,000 and with a useful life of one year or greater. At September 30, 2018 and 2017, the Foundation did not own any property and equipment.

Contributions: Contributions, including unconditional promises to give, are recognized as revenue in the period received or pledged. Contributions are reported as unrestricted or restricted net assets depending on the existence of donor stipulations that limit their use. The Foundation reports gifts of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements. When a donor's restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions for operations.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity, if necessary. There were no contributions receivable at September 30, 2018 and 2017.

Grants: The Foundation recognizes revenue from grants in the period in which the related grant expenses are incurred and the grant amounts are earned. The Foundation was not the recipient of any grants during the fiscal years ended September 30, 2018 and 2017.

Investment income: Interest and dividend income is recognized when earned. Investment income is included in the change in unrestricted net assets, unless its use is temporarily or permanently restricted by donor stipulations or law. When a donor restriction is met the amount is reclassified and reported as net assets released from restriction.

In-kind donations: Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. All other noncash donations are recorded as contributions at their fair values at the date of donation. The Foundation did not recognize in-kind donations for the fiscal years ended September 30, 2018 and 2017.

Functional allocation of expenses: Expenses that are associated with a specific program or activity are charged directly to that program or activity. Indirect expenses are allocated among the programs and supporting services benefited on a reasonable basis. Functional reporting is presented in the accompanying statement of activities and changes in net assets.

**Good Health Foundation, Inc.
(A Component Unit of the Health Care District of Palm Beach County, Florida)**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income taxes: The IRS has determined that the Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation evaluates its uncertain tax positions in accordance with ASC Topic 740, Income Taxes, which states that management's determination of the taxable status of an entity, including its status as a nonprofit entity, is a tax position subject to the standards required for accounting for uncertainty in income taxes. Management does not believe that the Foundation has any significant uncertain tax positions that would be material to the financial statements. The Foundation is no longer subject to examinations by U.S. tax authorities for tax years prior to 2015.

Subsequent events: The Foundation evaluates the impact of subsequent events, events that occur after the statement of financial position date but before the financial statements are issued, for potential recognition in the financial statements as of the statement of financial position date or disclosure in the notes to the financial statements. The Foundation evaluated events occurring subsequent to September 30, 2018 through March 15, 2019, the date on which the accompanying financial statements were issued. During this period, there were no subsequent events that required recognition or disclosure in the financial statements.

Note 3. Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited to a specific time period or purpose as directed by the donors.

Temporarily restricted net assets are restricted for the following purposes as of September 30:

	2018	2017
Assets with purpose limitations:		
Improvements for Lakeside Medical Center	\$ 728,894	\$ 728,894
Lakeside Medical Center primary care program	181,777	181,777
Diabetes outreach initiative at Lakeside Medical Center	85,000	85,000
Purchase of capital assets for Lakeside Medical Center	79,759	79,759
Clinics dental assistance for seniors	150,000	-
Total temporarily restricted net assets	<u>\$ 1,225,430</u>	<u>\$ 1,075,430</u>

Note 4. Related-Party Transactions

The District owns and operates Lakeside Medical Center through its wholly owned subsidiary, District Hospital Holdings, Inc. The Foundation's Board of Directors includes one member of the District's Governing Board and two members of the District's management. The Foundation is a component unit of the District, who provides the Foundation with management and administrative services. Accordingly, the Foundation's management and administration functions, including its accounting function, are handled by the District. The Foundation is not charged for the management and administrative functions due to the insignificant amount of the expenses during the fiscal years ended September 30, 2018 and 2017.

Good Health Foundation, Inc.
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Notes to Financial Statements

Note 5. Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions”, and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 will be effective for the Foundation beginning with its year ending September 30, 2019. The Foundation is currently evaluating the impact of the adoption of the new standard on the financial statements.