

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

Financial Report  
September 30, 2019

## Contents

---

Independent auditor's report	1-2
<hr/>	
Financial statements	
Statements of financial position	3
Statements of activities and changes in net assets	4-5
Statements of cash flows	6
Notes to financial statements	7-10

---



RSM US LLP

## **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, 2019 and 2018, 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, 2019 and 2018, 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.

**Emphasis of Matter**

As discussed in Note 2 to the accompanying financial statements, the Foundation adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* during the year ended September 30, 2019. Our opinion is not modified with respect to this matter.

*RSM US LLP*

West Palm Beach, Florida  
March 6, 2020

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

**Statements of Financial Position**  
**September 30, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash	<u><b>\$ 1,228,723</b></u>	<u><b>\$ 1,281,830</b></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	<u><b>\$ 2,520</b></u>	<u><b>\$ -</b></u>
Net assets:		
Net assets without donor restrictions	<b>54,191</b>	56,400
Net assets with donor restrictions	<u><b>1,172,012</b></u>	<u>1,225,430</u>
<b>Total net assets</b>	<u><b>1,226,203</b></u>	<u>1,281,830</u>
<b>Total liabilities and net assets</b>	<u><b>\$ 1,228,723</b></u>	<u><b>\$ 1,281,830</b></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, 2019**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Contributions, revenues and other support:</b>			
Contributions	\$ 94,255	\$ 96,582	\$ 190,837
Investment income	606	-	606
Net assets released from restrictions	150,000	(150,000)	-
<b>Total contributions, revenues and other support</b>	<b>244,861</b>	<b>(53,418)</b>	<b>191,443</b>
<b>Expenses:</b>			
<b>Program services:</b>			
Primary care clinics	225,705	-	225,705
Employee assistance	18,550	-	18,550
<b>Supporting services:</b>			
General and administrative	2,815	-	2,815
<b>Total expenses</b>	<b>247,070</b>	<b>-</b>	<b>247,070</b>
<b>Change in net assets</b>	<b>(2,209)</b>	<b>(53,418)</b>	<b>(55,627)</b>
Net assets, beginning of year	56,400	1,225,430	1,281,830
Net assets, end of year	<u>\$ 54,191</u>	<u>\$ 1,172,012</u>	<u>\$ 1,226,203</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**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
Contributions, revenues and other support:			
Contributions	\$ 500	\$ 150,000	\$ 150,500
Investment income	8,741	-	8,741
<b>Total contributions, revenues and         other support</b>	<b>9,241</b>	<b>150,000</b>	<b>159,241</b>
Expenses:			
General and administrative	3,940	-	3,940
<b>Change in net assets</b>	<b>5,301</b>	<b>150,000</b>	<b>155,301</b>
Net assets, beginning of year	51,099	1,075,430	1,126,529
Net assets, end of year	<u>\$ 56,400</u>	<u>\$ 1,225,430</u>	<u>\$ 1,281,830</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, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
Cash flows from operating activities:		
Change in net assets	<b>\$ (55,627)</b>	\$ 155,301
Adjustments to reconcile the change in net assets to net cash (used in) provided by operating activities:		
Changes in liabilities:		
Accounts payable	<b>2,520</b>	(2,200)
<b>Net cash (used in) provided by operating activities and (decrease) increase in cash</b>	<b>(53,107)</b>	153,101
Cash, beginning of year	<b>1,281,830</b>	1,128,729
Cash, end of year	<b>\$ 1,228,723</b>	\$ 1,281,830

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 net assets without donor restrictions and net assets with donor restrictions are separately presented in the accompanying statement of activities and changes in net assets and the statement of financial position to distinguish among these two classes of net assets. The Foundation defines net assets without donor restrictions as those that are not limited by donor-imposed stipulations. Net assets with donor restrictions 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.

**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 structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To achieve this, the Foundation forecasts its future cash flows and monitors its liquidity on a monthly basis. Financial assets consists of cash. The Foundation had \$1,228,723 and \$1,281,830 of financial assets available to meet general expenditures within one year as of September 30, 2019 and 2018, 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, 2019 and 2018, bank deposits exceeded federal deposit insurance limits by approximately \$979,000 and \$1,032,000, 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.

**Contributions:** Contributions, including unconditional promises to give, are recognized as revenue in the period received or pledged. Contributions are reported as net assets without donor restrictions or net assets with donor restrictions 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 contributions without donor restrictions in the accompanying financial statements. When a donor's restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

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, 2019 and 2018.

**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, 2019 and 2018.

**Investment income:** Interest and dividend income is recognized when earned. Investment income is included in the change in net assets without donor restrictions, unless its use is 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 any in-kind donations for the fiscal years ended September 30, 2019 and 2018.

**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. As part of its program services, the Foundation provides grant funding to other entities to be used for providing healthcare related services. Additionally, the Foundation provides financial assistance to District employees who qualify for such assistance.

**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.

**Changes in accounting:** Effective October 1, 2018, the Foundation adopted Accounting Standards Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*.

ASU No. 2016-14 changes presentation and disclosure requirements for not-for-profit entities to provide qualitative and quantitative requirements as follows:

- Net assets presentation in two categories – net assets without donor restrictions and net assets with donor restrictions;
- Presentation of investment income net of investment expenses;
- Analysis of expenses by both natural and functional classification;
- Liquidity and availability of resources disclosure requirement;
- Permits the presentation of operating cash flows using either the direct or indirect method; permits the use of the direct method without reconciliation of change in net assets to net cash flow from operating activities.

**Subsequent events:** The Foundation evaluated subsequent events through March 6, 2020, the date on which the accompanying financial statements were available to be issued.

**Note 3. Net Assets with Donor Restriction**

Net assets with donor restrictions are those whose use has been limited to a specific time period or purpose as directed by the donors.

Net assets with donor restrictions are restricted for the following purposes as of September 30<sup>th</sup>:

	2019	2018
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
Primary Care Clinics homeless program	74,995	150,000
Employee assistance program	21,275	-
Healey resident activity donations	312	-
Total net assets with donor restrictions	<u>\$ 1,172,012</u>	<u>\$ 1,225,430</u>

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

**Notes to Financial Statements**

---

**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 was not charged for the management and administrative functions due to the insignificant amount of the expenses incurred during the fiscal years ended September 30, 2019 and 2018 related to providing such service.

**Note 5. Functional Expenses**

Following is a summary of functional expenses for the years ended September 30, 2019 and 2018:

	2019			
	Program Services	Supporting Services		Total Expenses
		Administration	Total	
Grants	\$ 244,255	\$ -	\$ -	\$ 244,255
Professional fees	-	2,520	2,520	2,520
Bank fees	-	295	295	295
	<u>\$ 244,255</u>	<u>\$ 2,815</u>	<u>\$ 2,815</u>	<u>\$ 247,070</u>

  

	2018			
	Program Services	Supporting Services		Total Expenses
		Administration	Total	
Professional fees	\$ -	\$ 2,414	\$ 2,414	\$ 2,414
Bank fees	-	1,526	1,526	1,526
	<u>\$ -</u>	<u>\$ 3,940</u>	<u>\$ 3,940</u>	<u>\$ 3,940</u>