

**BROWARD REGIONAL HEALTH
PLANNING COUNCIL, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2017

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Broward Regional Health Planning Council, Inc.
Hollywood, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Broward Regional Health Planning Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows, and functional expenses for the year 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 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 opinion.

To the Board of Directors of
Broward Regional Health Planning Council, Inc.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Broward Regional Health Planning Council, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General*, and the schedules appearing on pages 14 and 15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 October 5, 2017, on our consideration of Broward Regional Health Planning Council, Inc.'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 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 Broward Regional Health Planning Council, Inc.'s internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Miami, Florida
October 5, 2017

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETS

CURRENT ASSETS	
Cash	\$ 1,405,793
Contracts receivable	19,201,214
Certificates of deposit	<u>127,277</u>
TOTAL CURRENT ASSETS	20,734,284
PROPERTY AND EQUIPMENT, net	182,084
OTHER ASSETS	<u>207,656</u>
TOTAL ASSETS	<u><u>\$ 21,124,024</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 6,963,057
Accrued salaries and related expenses	420,767
Accrued annual leave	216,790
Deferred revenue	1,319,552
Line of credit	<u>6,000,000</u>
TOTAL CURRENT LIABILITIES	14,920,166
COMMITMENTS AND CONTINGENCIES	
NET ASSETS - UNRESTRICTED	<u>6,203,858</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 21,124,024</u></u>

The accompanying notes are an integral part of the financial statements.

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

REVENUES		
Contract revenue		\$ 113,742,481
Service revenue		473,603
Contributions and other revenue		<u>2,242</u>
	TOTAL REVENUES	114,218,326
EXPENSES		
Program expenses:		
Community assistance		16,522,324
Community services		92,660,208
Health planning		1,973,223
Health partnerships		<u>1,762,500</u>
	TOTAL PROGRAM EXPENSES	112,918,255
Administrative and general		<u>559,423</u>
	TOTAL EXPENSES	<u>113,477,678</u>
	CHANGE IN NET ASSETS	740,648
NET ASSETS - UNRESTRICTED - BEGINNING OF YEAR		<u>5,463,210</u>
NET ASSETS - UNRESTRICTED - END OF YEAR		<u><u>\$ 6,203,858</u></u>

The accompanying notes are an integral part of the financial statements.

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 740,648
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	133,248
Amortization of deferred lease incentive	(57,821)
Changes in operating assets and liabilities:	
Contracts receivable	(9,112,919)
Prepaid expenses	76,369
Other assets	(189,545)
Accounts payable and accrued expenses	507,215
Accrued salaries and related expenses	57,695
Accrued annual leave	249
Deferred revenue	521,005
	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	(7,323,856)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(78,841)
Proceeds from investment in certificates of deposit	249,602
	<hr/>
NET CASH PROVIDED BY INVESTING ACTIVITIES	170,761
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit	14,900,000
Payments on line of credit	(10,500,000)
	<hr/>
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,400,000
	<hr/>
NET DECREASE IN CASH	(2,753,095)
CASH - BEGINNING OF YEAR	<hr/> 4,158,888
CASH - END OF YEAR	<hr/> <hr/> \$ 1,405,793

The accompanying notes are an integral part of the financial statements.

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2017

	<u>Community Assistance</u>	<u>Community Services</u>	<u>Health Planning</u>	<u>Health Partnerships</u>	<u>Administrative and General</u>	<u>Total Expenses</u>
SALARIES AND RELATED EXPENSES						
Salaries	\$ 702,918	\$ 4,439,327	\$ 1,172,841	\$ 426,385	\$ 182,350	\$ 6,923,821
Payroll taxes and fringe benefits	202,129	1,280,176	308,851	93,619	16,154	1,900,929
TOTAL SALARIES AND RELATED EXPENSES	905,047	5,719,503	1,481,692	520,004	198,504	8,824,750
OTHER EXPENSES						
Travel	2,400	96,154	16,114	11,671	12,189	138,528
Occupancy costs	22,833	128,621	43,709	3,862	-	199,025
Utilities	9,715	47,541	47,850	1,405	22,473	128,984
Supplies	8,854	45,907	17,544	8,587	1,702	82,594
Postage	18,187	9,283	8,207	313	-	35,990
Printing	19,773	63,742	37,390	-	14,296	135,201
Professional fees	-	13,500	-	-	-	13,500
Child care slots	-	84,340,755	-	-	1,301	84,342,056
Equipment rental and maintenance	4,537	25,687	8,475	-	911	39,610
Insurance	5,127	48,683	3,219	-	934	57,963
Advertising	-	-	-	-	-	-
Subscriptions	-	6,431	849	2,256	19,717	29,253
Client assistance and related incidentals	15,472,554	129,227	23,663	4,176	11,794	15,641,414
Subcontracted services	11,741	1,538,011	128,942	765,880	2,776	2,447,350
Conferences and training	2,751	19,797	8,043	11,189	8,062	49,842
Consulting	11,213	154,398	56,688	323,201	37,875	583,375
Minor property and equipment	-	23,834	15,682	49,344	44,891	133,751
Employee screening	176	4,351	1,479	-	52,029	58,035
Information systems support	9,350	175,760	58,156	678	8,439	252,383
Miscellaneous	18,066	50,359	6,890	56,633	18,878	150,826
TOTAL OTHER EXPENSES	15,617,277	86,922,041	482,900	1,239,195	258,267	104,519,680
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	16,522,324	92,641,544	1,964,592	1,759,199	456,771	113,344,430
DEPRECIATION AND AMORTIZATION	-	18,664	8,631	3,301	102,652	133,248
TOTAL EXPENSES, INCLUDING DEPRECIATION AND AMORTIZATION	\$ 16,522,324	\$ 92,660,208	\$ 1,973,223	\$ 1,762,500	\$ 559,423	\$ 113,477,678

The accompanying notes are an integral part of the financial statements.

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1 - NATURE OF THE ORGANIZATION

Broward Regional Health Planning Council, Inc. (the “Council”) is a nonprofit organization located in Hollywood, Florida, and is responsible for the development of the local health plan and for providing statistical data on the healthcare environment in Broward County, Florida. It is also responsible for a number of legislatively mandated duties, such as assisting the Agency for Health Care Administration in conducting public hearings, as well as entering into cooperative agreements with appropriate area health agencies. In addition, the Council pursues planning, coordinating, evaluating, capacity building, technical assistance, and service activities in furtherance of its mission and to support its sustainability and growth. The Council’s programs include:

Community Assistance – The Council provides housing assistance and support services for low-income clients to prevent and reduce the risk of homelessness. These services target vulnerable populations including, but not limited to, individuals with lifelong illnesses, veterans, and low-income families with minor children. The aim is to prevent Broward County residents from becoming homeless or to help those who are experiencing homelessness to be quickly rehoused and stabilized. The Council also processes health insurance premiums and medication assistance for individuals throughout Florida who have lifelong illnesses.

Community Services – The Council’s direct service programs target Broward County’s most vulnerable residents from infants to seniors. Services aim to: increase healthy pregnancy outcomes and healthy child development through home visitation and family strengthening activities; train individuals who are incompetent to proceed in court; and educate seniors in disease self-management. During the year ended June 30, 2017, the Council remained the awardee of the over \$83 million annual contract awarded by the Early Learning Coalition of Broward for the provision of the following child care services: Eligibility, Enrollment, Fiscal Administration for School Readiness, Child Care Executive Partnership, Voluntary Pre-kindergarten, and Financially Assisted Child Care Programs (ELC-2) in Broward County (see Note 8). The Council actively enrolls, ensures eligibility, and tracks clients using an online system of application and re-determination. The Quality Assurance team monitors individual client files and conducts site visits at various referral agencies and child care centers throughout Broward County. Other services include eligibility determination for vulnerable individuals, and health insurance education and enrollment assistance to residents of Broward County.

NOTE 1 - NATURE OF THE ORGANIZATION (Continued)

Health Planning – The Council provides planning tools and services that promote public awareness of community health needs. Through planning activities, the Council collects data and conducts analyses and studies related to healthcare needs of Broward County, including the needs of medically indigent persons. Planning services also assist hospitals, community agencies and other state agencies in carrying out data collection activities. The Council works with local agencies to identify health needs of the community, and provides support in federal grant applications for service categories, including chronic diseases, pharmaceutical assistance, outpatient/ambulatory health services, oral healthcare, medical case management, eligibility and the medical outcome study.

Health Partnerships – This is a collaborative effort program involving more than 30 community organizations and coalitions that work together to support efforts to reduce health disparities and improve the health and well-being of the residents of Broward County.

Administrative and General – The Council developed the Health Data Warehouse, a web-based, analytic engine that provides geographically specific analysis functionality by Local Health Planning Council Districts and 67 counties. Live Scan Fingerprinting for Level II Background Screening is offered to the public. This technology allows for electronic submission of fingerprint screens. The Council's fingerprinting clientele includes hospital employees, guardian ad litem programs, doctors' offices, nonprofit and social service agencies, and colleges and universities. The expenses associated with these efforts are presented within administrative and general on the statement of functional expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following is a summary of the more significant accounting policies followed by the Council in the preparation of its financial statements.

Contracts Receivable

Contracts receivable at year end represents costs incurred or services performed, which have not yet been reimbursed by the granting agency. Management monitors the collection status of contracts receivable on an ongoing basis. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted and the potential for collection is considered remote. Based on management's analysis of possible bad debts, it has been determined that an allowance for doubtful accounts is not deemed necessary as of June 30, 2017.

Certificates of Deposit

Certificates of deposit held for investment that are not debt securities are included as certificates of deposit on the statement of financial position. Certificates of deposit with original maturities greater than three months and remaining maturities of less than one year are classified as current. Certificates of deposit with remaining maturities greater than one year are classified as long-term. Certificates of deposit are valued based on their original cost plus accrued interest, which approximates their fair value, based on their liquid nature and short-term maturities.

Property and Equipment

Property and equipment are recorded at cost. Provisions for depreciation and amortization are computed using the straight-line method and are calculated over the shorter of the estimated useful lives of the various classes of assets or lease terms, ranging from three to five years.

It is the Council's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed as incurred.

Deferred Revenue

Contract revenue received in advance is deferred until an allowable cost is incurred or the unit of service has been performed.

Net Asset Classifications

Net assets are presented based on the existence or absence of donor-imposed restrictions. In these financial statements, net assets are reported as follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted - Net assets whose use is subject to donor-imposed restrictions that can be fulfilled by actions of the Council or by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Council.

Contract Revenue

Contract revenue is recognized when an allowable cost is incurred or the unit of service has been performed, as defined by the individual contracts.

Contributions

Contributions and donations are considered to be available for unrestricted use, unless specifically restricted by the donor.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been reflected in the financial statements.

As of June 30, 2017, with few exceptions, the Council is no longer subject to examination by federal taxing authorities for any tax years prior to 2014.

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 and disclosures contained in the financial statements. Actual results could differ from those estimates.

Subsequent Events

The Council's management has evaluated subsequent events for recognition and disclosure through October 5, 2017, which is the date the financial statements are available to be issued.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following at June 30, 2017:

Furniture and equipment	\$ 1,131,200
Leasehold improvements	705,487
	<hr/>
	1,836,687
Less accumulated depreciation and amortization	(1,654,603)
	<hr/>
Property and equipment, net	\$ 182,084

The depreciation and amortization expense for the year ended June 30, 2017, approximated \$133,000.

Certain equipment was acquired with funds received under contracts with various governmental entities. The Council retains the use of these assets as long as they are used in carrying out the service for which the original contract was intended. The Council expects to continue using the assets for their designated purpose and retain the right to the continued use of these assets in the future. The assets acquired under contracts with governmental entities have a net book value of approximately \$115,000 at June 30, 2017.

NOTE 4 - SUBCONTRACTED SERVICES

The Council's fiscal budget includes funding and budget costs designated for the use of subcontractors. Included in the costs budgeted for subcontractors are the related costs of the subcontractors and care coordinators, such as office rent, administrative, telephone, travel, salaries and fringe benefits, printing, maintenance, project, and other costs. The majority of these costs are not the direct costs of the Council and have not been budgeted as such.

NOTE 5 - PENSION PLAN

The Council has a defined contribution pension plan (the "Plan") for the benefit of its employees. All full-time employees are eligible for the Plan after they have completed one year of employment. The Council funds the Plan by making monthly contributions equivalent to up to 15% of the participant's compensation subject to Internal Revenue Service limitations. The Council's contributions to the Plan were approximately \$339,000 for the year ended June 30, 2017.

NOTE 6 - ECONOMIC DEPENDENCE

The Council provides its program services with funds received from federal, state, and local sources. A significant reduction in the level of this funding, if this were to occur, could have a significant negative effect on the Council's programs and activities. Revenues received from federal, state, and local government sources represent 98% of the Council's revenues for the year ended June 30, 2017.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Credit Risk

Financial instruments which potentially subject the Council to concentrations of credit risk consist principally of cash, contracts receivable, and certificates of deposit. All cash and certificates of deposit are deposited in federally insured financial institutions. The Council maintains its cash primarily in bank deposit accounts, which, at times, exceed federally insured limits. However, since the Council received a public fund designation, all cash deposits are guaranteed. The Council has not experienced any losses in such accounts. Management does not believe that it is exposed to any significant credit risk on cash. Management believes the concentrations of credit risk with respect to contracts receivable is mitigated by the taxing authority of the governmental entities funding the programs.

NOTE 7 - COMMITMENTS AND CONTINGENCIES (Continued)

Self-Insurance

The Council was fully insured for health insurance coverage in prior years and through December 31, 2016. The Council became self-insured for its health insurance coverage on January 1, 2017. The Council entered into a master services agreement with South Florida Community Care Network, LLC d/b/a Community Care Plan (“CCP”) to provide the Council with administrative services related to the Council’s self-funded health insurance plan (the “Plan”). CCP is considered a related party to the Council due to a member of the Council’s Board of Directors being an executive at CCP. Administrative expenses related to this agreement paid to CCP by the Council was approximately \$35,000 for the year ended June 30, 2017.

The Council purchased aggregate stop-loss insurance that fixes the maximum exposure at an amount of \$75,000 per individual and \$1,000,000 in the aggregate. The Council pays a monthly amount to CCP, based on the terms of the agreement, to fund the estimated claims of the Plan. As of June 30, 2017, the Council had funded all claims incurred, including an estimate for incurred but not reported claims through June 30, 2017, and had excess deposits on hand with CCP of approximately \$189,000, which is included in other assets in the statement of financial position. These excess deposits are available to fund future claims under the Plan.

Line of Credit

The Council has a revolving line-of-credit agreement (the “Line”) with a financial institution that provided for maximum borrowings on the Line of \$3,000,000 as of July 1, 2016. In May 2017, the maximum borrowings on the Line were increased to \$6,000,000. Advances on the Line provide cash for working capital, as needed. The borrowings are collateralized by the Council’s deposits and investments maintained with the financial institution. Borrowings on the Line bear interest based upon the 30-day LIBOR rate plus 2.55% (3.77% as of June 30, 2017). Interest paid during the year ended June 30, 2017, approximated \$53,000 and is recorded in miscellaneous in the statement of functional expenses. As of June 30, 2017, the Line had an outstanding balance of \$6,000,000.

Leases

The Council leases its office space and has a monthly lease payment of approximately \$20,000. The initial five-year term of the lease expired in November 2016 and the Council exercised its first of three additional five-year renewal terms, which extended the lease maturity until November 2021. Occupancy costs were approximately \$257,000 for the year ended June 30, 2017.

NOTE 7 - COMMITMENTS AND CONTINGENCIES (Continued)

Leases (Continued)

A provision in the lease agreement allowed for the Council to receive proceeds to cover the costs incurred for leasehold improvements made to the leased space. In accordance with this provision, the Council received approximately \$589,000 from the landlord in July 2013, which was previously recorded as a deferred lease incentive in the statement of financial position. The deferred lease incentive was being amortized on a straight-line basis over the initial term of the lease. Amortization of the deferred lease incentive was approximately \$58,000 during the year ended June 30, 2017, and is recorded as an offset to occupancy costs in the statement of functional expenses. As of June 30, 2017, the deferred lease incentive has been fully amortized.

The future minimum lease payments as of June 30, 2017, approximate the following:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 241,000
2019	242,000
2020	244,000
2021	246,000
2022	<u>103,000</u>
	<u>\$ 1,076,000</u>

NOTE 8 - SUBSEQUENT EVENTS

As of September 30, 2017, the Council ended its contract with the Early Learning Coalition of Broward to provide eligibility, enrollment and fiscal administration for school readiness, child care executive partnership, voluntary pre-kindergarten, and financially assisted child care program services in Broward County.

SUPPLEMENTAL INFORMATION

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

SCHEDULE OF CONTRACT REVENUE

Year Ended June 30, 2017

Funding Agency	Contract Number/CFDA Number CSFA Number/Program Name	Contract Period	Contract Amount	Total Revenue 2017
Contract Revenue - Governmental Agencies				
Ounce of Prevention Fund of Florida	HF15-20-10/93.558- Healthy Families Florida Subcontract/93.558/93.590	7/1/16-6/30/17	\$ 531,000	\$ 511,000
Children's Services Council of Broward County	16-2567 - Healthy Families Broward	10/1/16-9/30/17	1,999,570	1,769,384
	Vulnerable Population 17-2569	10/1/16-9/30/17	2,017,850	1,222,321
Broward Behavioral Health Coalition Substance Abuse, and Mental Health	34350-16/93.958/93.959	7/1/16-6/30/17	1,211,137	1,201,008
	CCT Program	7/1/16-6/30/17	17,616	17,616
Broward County - Ryan White	14-CP-HCS 8128RW/93.914 Title I - Council Support	3/1/16-2/28/17	294,644	252,565
	14-CP-HCS 8128RW/93.914 Title I - CQA	3/1/16-2/28/17	278,771	250,816
	10 CP-HC 8129RW CIED Eligibility	3/1/16-2/28/17	911,470	840,718
	14-CP-HCS-8129-RW/93.914 Health Insurance Continuation Program	3/1/16-2/28/17	1,127,397	1,032,670
	17-CP-HCS-8129-RW-01	3/1/16-2/28/17	150,000	49,602
State of Florida Department of Health	COREH/64.032 Local Health Planning	7/1/16-6/30/17	90,909	90,909
Broward County Trauma Management	G0869707A1 - Trauma Planning	8/1/16-9/1/19	13,000	13,000
Broward County	16-CP-HCS-8492-LM - Local Match	10/1/15-9/30/16	336,694	140,613
	17-CP-HCS-8492-LM - Local Match	10/1/16-9/30/17	286,572	242,663
Broward County	14-CP-HIP-8128-02	10/1/16-9/30/17	112,015	105,274
City of Fort Lauderdale	HP 142124-26 HP 14213-26 HP 142125-26 14.241/HOPWA: PHP/STRMU/TBRV	10/1/16-9/30/17	2,219,905	1,919,054
Fed Ctr for Disease Control (CDC)	6 NU58DP005790-02-02/93.331	9/30/15-9/29/16	1,860,288	694,220
	5 NU58DP005790-03-00/93.331	9/30/16-9/29/17	1,547,769	1,009,110
USDA Agriculture Marketing	14-LFPPX-FL-0038/10.168	10/1/16-3/30/17	51,238	48,481
State of Florida Department of Health	CODLG/93.917	7/1/16-6/30/17	13,600,000	13,434,768
Broward County	Special Needs 16-CPCSA-8534-01	10/1/16-9/30/17	665,231	601,033
Broward County	Subsidized Child Care Slots 16-CPCSA-8534-01	10/1/16-9/30/17	1,745,264	1,425,601
Early Learning Coalition	Eligibility Enrollment Fiscal Admin BRHPC-EDAP-17-ELC2	7/1/16-6/30/17	85,206,478	84,289,528
Early Learning Coalition (DCF)	Refugee/Entrance XK048	7/1/16-6/30/17	198,324	179,517
Subtotal (continued on page 15)				<u>\$ 111,341,471</u>

See Report of Independent Certified Public Accountants.

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

SCHEDULE OF CONTRACT REVENUE (Continued)

Year Ended June 30, 2017

<u>Funding Agency</u>	<u>Contract Number/CFDA Number CSFA Number/Program Name</u>	<u>Contract Period</u>	<u>Contract Amount</u>	<u>Total Revenue 2017</u>
Contract Revenue - Other				
The Jim Moran Foundation	Housing Stability Program 20110564	1/1/15-12/31/15	\$ 300,000	\$ 166,855
	Housing Stability Program 20110564	1/1/16-12/31/16	300,000	219,622
United Way	Healthy Families Broward 1516-04-12-02	7/1/16-6/30/17	40,000	39,999
United Way	SSVF - Veterans Rehousing 1314-07-12-04	10/1/16-9/30/17	327,022	304,418
United Way	Healthy Kids 1415-01-12-01	7/1/16-6/30/17	60,882	60,881
United Way	Child Care Slots 1516-04-12-03	7/1/15-9/30/16	425,000	76,892
	Child Care Slots 1516-04-12-03	10/1/16-6/30/17	425,000	424,984
Community Foundation of Broward	Healthy Community Zone 20150502	5/1/16-4/30/18	70,000	23,156
Health Foundation	Healthy Community Zones	9/1/16-8/30/17	198,748	98,425
Florida Association of Healthy Start Coalitions Inc.	FL MIECHV #13-13 FY16-18/93.505	4/1/16-3/31/18	1,383,412	538,609
University of South Florida	Navigators 6414-1086-01-B/93.332	9/2/16-9/1/17	463,570	447,169
TOTAL CONTRACT REVENUE				<u><u>\$ 113,742,481</u></u>

See Report of Independent Certified Public Accountants.

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2017

Federal Agency/State Agency/ Pass-Through Grantor/Program Title	CFDA/ CSFA Number	Contract Number	Program Expenditures
FEDERAL AWARDS			
U.S. Department of Health and Human Services			
Pass-through:			
Broward Behavioral Health Coalition			
Block Grants for Community Mental Health Services	93.958	343BBHC50	\$ 444,798
Block Grants for Prevention and Treatment of Substance Abuse	93.959	343BBHC50	725,081
U.S. Department of Health & Human Services			
Federal Center for Disease Control (CDC)			
Partnerships to Improve Community Health (PICH)	93.331	1U58DP005790-01	1,703,330
Broward County			
Title 1 - Clinical Quality Assurance	93.914	14 HCS 8128RW	250,816
Title 1 - Planning Council Support	93.914	14 HCS 8128RW	252,565
Centralized Intake & Eligibility Determination - CIED	93.914	10 HCS 8129RW	479,209
Centralized Intake & Eligibility Determination - MAI CIED	93.914	10 MAIHCS 8129RW	361,509
Health Insurance Continuation Program - HICP	93.914	14-CP-HCS-8129-RW	1,032,670
State of Florida Department of Health	93.917	CODKA	13,434,768
Florida Association of Healthy Start Coalitions	93.505	FL MIECHV #13-3	538,609
Ounce of Prevention Fund of Florida			
Healthy Families Broward	93.558	HF-14-15-10	26,653
	93.556	HF-14-15-10	139,336
	93.659	HF-14-15-10	1,057
	93.667	HF-14-15-10	237
University of South Florida			
Healthcare Navigators	93.332	6414-1082-00-B	447,169
Early Learning Coalition of Broward County, Inc.			
School Readiness:			
Temporary Assistance to Needy Families (TANF)/ Maintenance of Effort	93.558	BRHPC-EDAP-17-ELC2	10,850,753
Child Care Development Fund (CCDF)	93.575	BRHPC-EDAP-17-ELC2	14,721,751
CCDF Mandatory/Matching/Maintenance of Effort (MOE)	93.596	BRHPC-EDAP-17-ELC2	11,758,719
Social Services Block Grant (SSBG)	93.667	BRHPC-EDAP-17-ELC2	33,628
DCF Refugee/Entrant	93.566	XK048	179,517
U.S. Department of Housing and Urban Development			
Pass-through:			
City of Fort Lauderdale			
Housing Opportunity for Persons with AIDS (HOPWA)	14.241	Various	1,919,054
U.S. Department of Agriculture			
Marketing Services	10.168	14-LFPPX-FL-0038/10.168	48,481
Total Expenditures of Federal Awards			\$ 59,349,710

See Report of Independent Certified Public Accountants.

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (Continued)**

Year Ended June 30, 2017

<u>Federal Agency/State Agency/ Pass-Through Grantor/Program Title</u>	<u>CFDA/ CSFA Number</u>	<u>Contract Number</u>	<u>Program Expenditures</u>
STATE FINANCIAL ASSISTANCE			
State of Florida Department of Health Local Health Planning	64.032	CORCV R-2	\$ 90,909
Broward County Substance Abuse and Mental Health Local Match	42.394	15-CP-HCS-8492-LM	383,276
Broward Behavioral Health Coalition Community Forensic Beds	60.114	Pass-Through	48,745
Early Learning Coalition of Broward County, Inc. Voluntary Pre-Kindergarten Education Program General Revenue	48.108	BRHPC-EDAP-17-ELC2	39,624,052
Ounce of Prevention Fund of Florida Matching Funds Healthy Families Broward	93.558 93.556 93.659 93.667	HF14-15-10 HF14-15-10 HF14-15-10 HF14-15-10	8,884 333,458 380 995
Total Expenditures of State Financial Assistance			\$ 40,490,699

See Report of Independent Certified Public Accountants.

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2017

(1) General

The schedule of expenditures of federal awards and state financial assistance (the "Schedule") presents the activity of all federal programs and state projects of Broward Regional Health Planning Council, Inc. for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not represent the financial position, changes in net assets or cash flow of the Council.

(2) Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
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 Directors of
Broward Regional Health Planning Council, Inc.
Hollywood, Florida

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Broward Regional Health Planning Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 5, 2017.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Broward Regional Health Planning Council, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Broward Regional Health Planning Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Broward Regional Health Planning Council, Inc.'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 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.

To the Board of Directors of
Broward Regional Health Planning Council, Inc.

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 Broward Regional Health Planning Council, Inc.'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 Broward Regional Health Planning Council, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Broward Regional Health Planning Council, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Miami, Florida
October 5, 2017



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Broward Regional Health Planning Council, Inc.
Hollywood, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Broward Regional Health Planning Council, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement and Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on each of Broward Regional Health Planning Council, Inc.'s major federal programs and state projects for the year ended June 30, 2017. Broward Regional Health Planning Council, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Broward Regional Health Planning Council, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Chapter 10.650, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Broward Regional Health Planning Council, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Broward Regional Health Planning Council, Inc.'s compliance.

To the Board of Directors of
Broward Regional Health Planning Council, Inc.

Opinion on Each Major Federal Program and State Project

In our opinion, Broward Regional Health Planning Council, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of Broward Regional Health Planning Council, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Broward Regional Health Planning Council, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Broward Regional Health Planning Council, Inc.'s internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control* over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Miami, Florida
October 5, 2017

BROWARD REGIONAL HEALTH PLANNING COUNCIL, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:				Unmodified
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	<u> X </u>	no
Significant deficiency(ies) identified?	_____	yes	<u> X </u>	none reported
Noncompliance material to financial statements noted?	_____	yes	<u> X </u>	no

Federal Awards and State Financial Assistance

Internal control over major programs:				
Material weakness(es) identified?	_____	yes	<u> X </u>	no
Significant deficiency(ies) identified?	_____	yes	<u> X </u>	none reported

Type of auditor's report issued on compliance for major programs:				Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR, Section 200.516(a), and/or Chapter 10.650, <i>Rules of the Auditor General</i> ?				
	_____	yes	<u> X </u>	no

Dollar threshold used to distinguish between Type A and Type B programs for federal awards:				
			\$1,780,701	

Dollar threshold used to distinguish between Type A and Type B projects for state financial assistance:				
			\$1,214,721	

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?				
	<u> X </u>	yes	_____	no

