

Approval Date:
May 23, 2022

MINUTES OF
A REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

APRIL 28, 2022 6:00 P.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Thursday, April 28, 2022, in the Conference Room of the Annex Building located at 123 S. Pine Avenue, Inverness, Florida 34452. Chairman Dr. Mark Fallows called the meeting to order at 6:00 P.M.

(2) PUBLISHED MEETING LEGAL NOTICE

(Agenda & Published Legal notice Copies On File)

(3) QUORUM PRESENT

COVID-19: All attendees to the meeting were required to use hand sanitizer. Social distancing was implemented and all persons were required to stay at least 6 feet apart, including Trustees and staff. The conference/meeting room was cleaned and sanitized pre and post meeting.

(4) ATTENDANCE

Board Members: Dr. Mark Fallows (Chairman), Allan Bartell (Vice-Chairman), Dr. Jeffrey Wallis (Secretary/Treasurer) and Rick Harper (Trustee).

Also in attendance:

Karla Dozier (CCHB Administrative Assistant) until approximately 6:20 p.m.
William Grant, Esq. (CCHB General Counsel)

Members of the Public:

(5) PUBLIC COMMENT

>

(6) APPROVAL OF MINUTES

Motion by Wallis, second Bartell to approve the minutes from the March 21, 2022 Regular Meeting as corrected with Wallis reservation made to General Counsel. After discussion, the Motion passed unanimously, 4-0.

(7) FINANCE COMMITTEE REPORT

a) Approval of Audit

MOTION by Wallis, second by Bartell to approve Citrus County Hospital Board Audit. After discussion, the Motion passed unanimously, 4-0.

b) Approval of Finance Report for March 2022.

MOTION by Wallis, second by Harper to approve the Financial Report for March 2022. The Motion passed unanimously, 4-0.

c) Approval of Citrus County Hospital Board Invoices for April 2022.

MOTION by Wallis, second by Bartell to approve the Citrus County Hospital Board Invoices for April 2022. The Motion passed unanimously, 4-0.

d) Approval of Invoices paid by the Citrus County Hospital Board o/b/o FRC.

MOTION by Wallis, second by Bartell to approve the Citrus County Hospital Board Invoices for April 2022. The Motion passed unanimously, 4-0.

(8) LEGAL

MOTION by Harper, second by Bartell for Citrus County Hospital Board to provide endowment for matching fund for 10 million as provided by the Florida Legislature. The Motion passed, 3-1. Wallis voted no.

MOTION by Harper, second by Bartell to modify existing Charles Dean Endowment Memorandum of Understanding in efforts to qualify for matching funds as provided by the Florida Legislature. The Motion passed unanimously, 4-0.

MOTION by Harper, second by Bartell to provide to the CCCC the Citrus County Hospital Board effort to amend the CCCC Bylaws to allow the Citrus County Hospital Board assign a Trustee and or a designee that is not a Citrus County Hospital Board Trustee. The Motion passed unanimously, 4-0.

RECESS

(9) UNFINISHED BUSINESS

None.

(10) NEW BUSINESS

None.

(11) TRUSTEE COMMENTS

None.

(12) OTHER

None.


(13) NEXT SCHEDULE MEETING DATE

The next meeting is scheduled for Monday, June 13, 2022 at 6:00pm in the Conference Room of the Annex Building, 123 S. Pine Ave. Inverness, Florida 34450.

(14) ADJOURNMENT

Motion by Dr. Wallis, second by Mr. Bartell to adjourn the meeting. The motion passed unanimously, 4-0.

Respectfully Submitted,



Jeffrey Wallis, M.D.
Chairman

04.28.2022 Minute Copy on File:

1. April 28, 2022 Agenda
2. Grant and Dozier email dated April 27, 2022 advising of CCCCCF Quorum
3. DFCCC- Rahdert & Mortimer, PLLC letter dated April 11, 2022
4. Commission on Ethics letter regarding Dr. Jeffrey Wallis dated February 21, 2022
5. Schapira Email dated April 25, 2022 regarding indemnification matter
6. Fiscal Year End September 30, 2021 Audit

AGENDA

CITRUS COUNTY HOSPITAL BOARD OF TRUSTEES MEETING REGULAR MEETING

CONFERENCE ROOM
ANNEX BUILDING
123 S. PINE AVE., FL 34452

Thursday, April 28, 2022 at 6:00 p.m.

Welcome

(1) **Agenda**

Mission: Citrus County Hospital Board of Trustees (CCHB) consistently strives to ensure Citrus County citizens have access to safe quality health care while maintaining fiscal integrity.

- **Call to Order**

(2) **Published Meeting Legal Notice**

(3) **Quorum Present**

(4) **Attendance:**

Dr. Mark Fallows

Chairman

Allan Bartell

Vice-Chairman

Dr. Jeffrey Wallis

Secretary/Treasurer

Rick Harper

Trustee

William Grant

CCHB General Counsel

Others in attendance:

(5) **Public Comment (3 min per individual/5 min per group)**

(6) **Approval of the CCHB Audited Financial Statements for Fiscal Year ended September 2021**

(7) **Approval of minutes from**

- March 21, 2022 Regular Meeting.

(8) **Finance Report**

- Finance Committee.
 - a. Approval of the Finance Report for March 2022.
 - b. Approval of the Citrus County Hospital Board Invoices for April 2022.
 - c. Approval of Invoices paid by the Citrus County Hospital Board o/b/o FRC.
 - d. Other.

(9) **Legal**

(10) **Unfinished Business**

- Foundation Resolution Corporation Update.
- Citrus County Community Charitable Foundation Update.
- Doctor's Free Clinic Update.

(11) **New Business**

(12) **Trustee Comments**

- Fallows
- Bartell
- Wallis
- Harper

(13) **Other**

(14) The next scheduled Board Meeting of the Citrus County Hospital Board set for Monday, May 23, 2022 at 6:00pm.

(15) Adjournment.

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Proof of Publication

From the
CITRUS COUNTY CHRONICLE
Crystal River, Citrus County, Florida
PUBLISHED DAILY

STATE OF FLORIDA
COUNTY OF CITRUS

Before the undersigned authority personally appeared

Tonya Knight and/or Jeanne Ethridge

Of the Citrus County Chronicle, a newspaper published daily at Crystal River, in Citrus County, Florida, that the attached copy of advertisement being a public notice in the matter of the Court

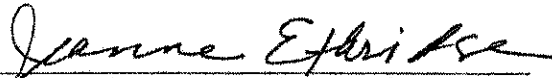
Ad#: 50031713

Description: 14739-0420 WCRN Notice of Regular Meeting of the Citrus County Hospital Board that was Rescheduled from April 25, 2022 to April 28, 2022

Advertisement: to run 1 time(s)

was published in said newspaper in the issue of
Date(s) of publication: April 20, 2022

Affiant further says that the Citrus County Chronicle is a Newspaper published at Crystal River in said Citrus County, Florida, and that the said newspaper has heretofore been continuously published in Citrus County, Marion County and Levy County, Florida, each week and has been entered as second class mail matter at the post office in Inverness in said Citrus County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

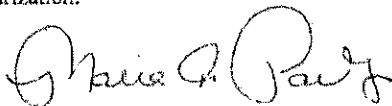


The forgoing instrument was acknowledged before me

This 21ST day of April 2022

By: Tonya Knight and/or Jeanne Ethridge

Who appeared by () means of physical presence or ()
via online notarization.



Notary Public

4739-0420 WCRN

NOTICE

The Monday, April 25, 2022 regular meeting of the Citrus County Hospital Board has been canceled and rescheduled to Thursday, April 28, 2022 at 6:00pm in the Conference Room of the Citrus Memorial Hospital Building located at 123 S. Pine Ave., Inverness, FL 34452 to discuss:

Approval of Minutes.

Citrus County Hospital Board Finance Report.

CCHB Legal.

Other.

This notice informs and notifies the public that member(s) of the Citrus County Community Charitable Foundation will be in attendance at the Citrus County Hospital Board meetings on Thursday, April 28, 2022 at 6:00pm, in the Conference Room of the Citrus Memorial Hospital Building located at 123 S. Pine Ave., Inverness, FL 34452. This notice informs and notifies the public that one or more members of the Citrus County Community Charitable Foundation will be in attendance at this meeting. The Citrus County Community Charitable Foundation will not vote or conduct business but may actively participate in the discussion.

Copies of the Agenda are available by calling the Citrus County Hospital Board at 352-341-2250. Any person wishing to appeal any decision made by this Board, with respect to any matter considered at such meeting, must ensure that a verbatim record of the proceedings is made, which record must include the testimony and evidence upon which the appeal is to be based.

Persons who require special accommodations under the American with Disabilities should contact the Citrus County Hospital Board Office, 123 S. Pine Ave., Inverness, Florida, 34452 (352) 341-2250

Published April 20, 2022



MARIA A. PARKS
Commission #HH1099773
Expires April 20, 2025
Bonded thru Budget Notary Services

William Grant

From: William Grant
Sent: Wednesday, April 27, 2022 3:52 PM
To: jrey@hoganlawfirm.com
Cc: Susan Jackson; Eric Williams; David Ryan; CCHB; kdozier@citruscountyhospitalboard.com; executivedirector@ccccf.us
Subject: CCHB / CCCCCF

Atty Rey,

I Hope this email finds you in good health and spirits. I understand that you are recovering from Covid- I wish you a full and complete recovery.

I understand that Dr. Wallis was solicited to “come to the table” to assist and constitute a quorum for CCCCCF. However, the efforts to gather a quorum, however well intentioned will NOT pass muster with the SOF or Citrus County Clerk Audit.

Therefore, I want to advise you that on March 24th, 2022, CCHB Trustee Dr. Wallis voted at your meeting. Dr. Wallis is NOT an authorized CCHB representative and cannot be counted toward any quorum. I recommend at your April 28th, 2022 meeting that all mattes previously considered be put back onto your agenda for consideration.

In advance, I thank you for your time and attention to this matter.

Thanks.

William J. Grant, Esq.

Law Office of Grant & Dozier, LLC
123 N. Apopka Ave.
Inverness, Florida 34450
Tel: (352)726-5111
Fax: (352)726-7244
wgrant@grantdozierlaw.com

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CIRCULAR 230 NOTICE: To comply with U.S. Treasury Department and IRS regulations, we are required to advise you that, unless expressly stated otherwise, any U.S. federal tax advice contained in this transmittal, is not intended or written to be used, and cannot be used, by any person for the purpose of (i) avoiding penalties under the U.S. Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this e-mail or attachment.

John Grant
Chair
Glenton "Glen" Gilzean, Jr.
Vice Chair
Michelle Anchors
Antonio Carvajal
Don Gaetz
JoAnne Leznoff
William "Willie" N. Meggs
Jim Waldman



State of Florida
COMMISSION ON ETHICS
P.O. Drawer 15709
Tallahassee, Florida 32317-5709

325 John Knox Road
Building E, Suite 200
Tallahassee, Florida 32303

"A Public Office is a Public Trust"

Kerrie J. Stillman
Executive Director

Caroline M. Klancke
*Deputy Executive Director/
General Counsel*

(850) 488-7864 Phone
(850) 488-3077 (FAX)
www.ethics.state.fl.us

February 21, 2022

Clifford B. Shepard, Esq.
Shepard, Smith, Kohlmyer & Hand, P. A.
2300 Maitland Center Parkway, Suite 100
Maitland, FL 32751
cshepard@shepardfirm.com

BY EMAIL

Dear Mr. Shepard:

This letter is sent in response to your recent ethics inquiry. In your email, you explain that you are writing on behalf of Dr. Jeffrey Wallis, a member of the Citrus County Hospital Board (CCHB), an independent special district. The CCHB leases Citrus Memorial Hospital to a private provider of healthcare services and, as part of the rent paid, CCHB receives a donation to its charitable fund that CCHB uses to further its mission of making free and low-cost healthcare accessible in Citrus County. According to you, now that CCHB is not overseeing the day-to-day management of a hospital, administering of the charitable fund is one of its main functions.

You indicate that Dr. Wallis seeks to start and operate a medical clinic in Citrus County that will provide free healthcare to indigent residents. You state that the clinic will not compensate Mr. Wallis in any way. Because the clinic advances the mission of CCHB's mission, CCHB is interested in supporting the clinic. To that end, CCHB seeks to purchase an existing medical building for the clinic to use, deed the property and building to Citrus County immediately upon closing the purchase so that Citrus County may lease the facility to Dr. Wallis's clinic.

You explain in your email that Mr. Wallis's wife is a licensed realtor and is the listing agent for the property that is proposed to be the future site of Mr. Wallis's clinic. As the listing agent, she would be entitled to a commission after the closing based upon the sale price. Under these circumstances, you ask whether Mr. Wallis will have a voting conflict if the CCHB votes to purchase the property and later votes to deed it to Citrus County.

A discussion of the voting conflicts law is warranted. Section 112.3143(3)(a), Florida Statutes, states:

No county, municipal, or other local public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss; which he or she knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained, other than an agency as defined in s. 112.312(2); or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer. Such public officer shall, prior to the vote being taken, publicly state to the assembly the nature of the officer's interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.

The term "principal by whom retained" is defined in Section 112.3143(1)(a), Florida Statutes, as:

an individual or entity, other than an agency as defined in s. 112.312(2), that for compensation, salary, pay, consideration, or similar thing of value, has permitted or directed another to act for the individual or entity, and includes, but is not limited to, one's client, employer, or the parent, subsidiary, or sibling organization of one's client or employer.

The term "relative" is defined in Section 112.3143(1)(c), Florida Statutes, as "any father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law."

Section 112.3143(3)(a) prohibits a local public officer from voting on any matter that will inure to his or her special private gain or loss or that he or she knows would inure to the special private gain or loss of a principal by whom he or she is retained, a relative, or business associate. One is only retained by a principal when, as the definition requires, the principal directs one's conduct in exchange for compensation or other consideration. See, e.g., CEO 20-10 and CEO 84-107.

Given that Mr. Wallis's wife will receive a commission subsequent to any sale of the property at issue, it follows that a vote by CCHB to purchase the property will inure to her special private gain or loss. It is very likely that a vote that generates a commission for Mr. Wallis's wife also inures to the special private gain or loss of Mr. Wallis, if one presumes that a husband and wife mutually benefit from marital income. See CEO 10-6, CEO 94-27, and CEO 83-49. Because the vote inures to the special private gain or loss of Mr. Wallis's wife—who is his relative—and of Mr. Wallis, the vote to purchase the property, where the vote will result in a commission being paid to Mr. Wallis's wife, will be conflicting under Section 112.3143(3)(a).

Because the vote to purchase the property will pose a voting conflict for Mr. Wallis, Section 112.3143(3)(a) requires that he announce the nature of his conflict to the assembly prior to the vote, abstain from the vote, and file CE Form 8B, "Memorandum of Voting Conflict for County, Municipal and other Local Public Officers," within 15 days of the vote.

It does not appear, however, that a vote by CCHB to deed the property to Citrus County will result in a voting conflict for Mr. Wallis. Such a vote could possibly benefit the clinic itself, but Mr. Wallis will not be compensated by the clinic. Thus, the clinic is not a principal by whom Mr. Wallis is retained. Also, given that Mr. Wallis is not compensated by the clinic, it is difficult to imagine how a vote to deed the property to Citrus County would directly inure to his special private gain or loss.¹

It is worth briefly mentioning that it appears Mr. Wallis will not have a prohibited conflict of interest under Sections 112.313(3) and (7)(a), Florida Statutes.² Section 112.313(3) and (7)(a) are not applicable because CCHB will immediately deed the property to Citrus County and, therefore, the clinic will be renting from Citrus County, which is not Mr. Wallis's agency or political subdivision. Mr. Wallis's agency and political subdivision is CCHB, which is, according to you, an independent special district.

In conclusion, Mr. Wallis will have a voting conflict when CCHB votes to purchase the property, thereby generating a commission for his wife. He must follow the steps detailed in

¹ Even though the vote to deed the property to Citrus County will not pose a voting conflict for Mr. Wallis, he may abstain from the vote if he is concerned about avoiding the appearance of a voting conflict. Section 286.012, Florida Statutes, requires members of boards to vote on all matters unless there is a conflict under Section 112.3143 or the appearance of such a conflict, among other circumstances. If Mr. Wallis does abstain from the vote to avoid the appearance of a voting conflict, he should comply with the steps for responding to a voting conflict as described in F.S. 112.3143(3)(a). See CEO 21-7.

² Section 112.313(3), Florida Statutes, states:

DOING BUSINESS WITH ONE'S AGENCY.—No employee of an agency acting in his or her official capacity as a purchasing agent, or public officer acting in his or her official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his or her own agency from any business entity of which the officer or employee or the officer's or employee's spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or the officer's or employee's spouse or child, or any combination of them, has a material interest. Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer's or employee's own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision This subsection shall not affect or be construed to prohibit contracts entered into prior to:

- (a) October 1, 1975.
- (b) Qualification for elective office.
- (c) Appointment to public office.
- (d) Beginning public employment.

Section 112.313(7)(a), Florida Statutes, states:

No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he or she is an officer or employee . . . ; nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.

Mr. Clifford B. Shepard

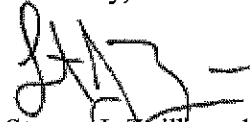
February 21, 2022

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Section 112.3143(3)(a) (see above). The vote to deed the property to Citrus County does not appear to be a voting conflict for Mr. Wallis, though he may abstain from that vote under Section 286.012, if he wishes to avoid the appearance of a voting conflict. Lastly, the circumstances described do not appear to pose a conflict under Sections 112.313(3) and (7)(a).

The guidance provided in this letter is limited to the facts that have been provided. If there are additional material facts, or if I have misstated them in this letter, please contact me again. The referenced statutes and advisory opinions are available on the Commission on Ethics website: <http://ethics.state.fl.us>. If you have any other questions about the guidance contained in this letter, please send me an email at zuilkowski.steven@leg.state.fl.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Zuilkowski', with a horizontal line extending to the right.

Steven J. Zuilkowski
Senior Attorney

William Grant

From: Karen Schapira [kbs@schapirahealthlaw.com]
Sent: Monday, April 25, 2022 4:09 PM
To: 'Samuel, Rydell'; Maureen.Castano@ahca.myflorida.com
Cc: Joseph M. Goldstein; SMcMenamy@shutts.com; jgoodwin@shutts.com; William Grant; Workstation1
Subject: AHCA IP/OP CCHB/FRC Indemnification - Medicaid Recoupment (DOAH 18-1673) (63)
Attachments: 2008 Reviewed & Revised Rate Analysis.xlsx; Final Order (Proof of Public Status for 07.01.2008).pdf

Good afternoon,

With the pandemic waning in impact, we are moving forward with this matter diligently so that we may close it out. Our initial Petition for Formal Administrative Hearing raised the issue of the Final Order entered on April 21, 2010, designating the Hospital a Public Hospital entitled to Medicaid rates for public hospitals for Rate Semesters **beginning** July 1, 2008. The impact of the failure to adhere to the final order on Rate Semester July 1, 2008 is \$1,335,992 for the inpatient portion and an additional \$677,032.00 for outpatient (see attached, 2008 Reviewed & Revised Rate Analysis). The Settlement Agreement states that AHCA will recalculate Citrus' Medicaid inpatient and outpatient rates for hospital services, based on the applicable rate setting methodology for public hospitals, for July 1, 2008 and January 1, 2009 rate semesters, however the July 1, 2008 rate semester was never recalculated to reflect the public status.

We are also including the Settlement Agreement (see attached, Final Order) for your review hoping that the department simply overlooked this issue. Also, it is important to note that Citrus Memorial Hospital did not lose its public hospital status such that the 2012, 2013 and 2014 rate schedules should reflect public hospital status despite the implementation of DRG patient payment methodology.

I look forward to a prompt resolution of this issue which, we believe, will significantly reduce the current \$5.8mm projected recoupment. We are still reviewing the other years and should have a response no later than May 31, 2022

Karen

Karen B. Schapira, PLLC
Representing Health Care Providers
11523 Palmbrush Trail
Suite # 316
Lakewood Ranch, FL 34202
Office: 941.567.5503
Cell: 954.309.6437
Fax: 941.896.9164
www.schapirahealthlaw.com

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CITRUS COUNTY HOSPITAL BOARD

ANNUAL FINANCIAL STATEMENTS

**For the Fiscal Year Ended
September 30, 2021**

CITRUS COUNTY HOSPITAL BOARD

ANNUAL FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2021

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Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

1369 S.W. Main Blvd.
Lake City, Florida 32025
386 / 755-4200
Fax: 386 / 719-5504
admin@powellandjonescpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Citrus County Hospital Board
Inverness, Florida

We have audited the accompanying financial statements of the Citrus County Hospital Board (the Board), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Board'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Citrus County Hospital Board, as of September 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

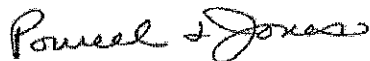
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and schedules of proportionate share of net pension liability and contribution 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 March 30, 2022, on our consideration of the Citrus County Hospital Board'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 Citrus County Hospital Board's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
March 30, 2022

**CITRUS COUNTY HOSPITAL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended September 30, 2021**

The discussion and analysis of the financial performance of Citrus County Hospital Board (the Board) provides an overall review of the Board's financial activities for the fiscal year ended September 30, 2021. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Board's financial performance.

Report Layout

The Board has implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the Board's finances. Within this view, all Board operations are categorized as applicable, and reported as either governmental or business-type activities. Governmental activities include basic planning related services and general administration. The Board had no business-type activities in this fiscal year. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Board.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the Board, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of the Board's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental and proprietary funds, as applicable. Governmental fund statements follow the more traditional presentation of financial statements. As stated above, the Board has no proprietary funds and business-type activities.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Board's financial condition.

- The MD&A is intended to serve as an introduction to the Board's basic financial statements and to explain the significant changes in financial position and differences in operations between the current and prior years.

FINANCIAL HIGHLIGHTS AND ANALYSIS

Government-wide Financial Statements

The liabilities of the Board exceeded its assets at the close of the fiscal year ended September 30, 2021 by \$21,133,777, a decrease of \$20,964,162 in net position from the prior year. This was primarily the result of the Board finalizing the pension related issues of the Foundation Resolution Corporation during the year.

A condensed version of the Statement of Net Position at September 30, 2021 and 2020 follows:

	Governmental Activities/ Total Government	
	2021	2020
Assets		
Cash and cash equivalents	\$ 23,210,918	\$ 28,043,240
Prepaid expenses	-	3,184
Capital assets	480,000	480,000
Advance to CMHF Pension Plan	-	17,400,000
Total assets	<u>23,690,918</u>	<u>45,926,424</u>
Deferred outflows of resources	<u>50,792</u>	<u>68,925</u>
Liabilities		
Current liabilities	1,075,725	1,309,119
Long term liabilities	43,714,021	44,845,244
Total liabilities	<u>44,789,746</u>	<u>46,154,363</u>
Deferred inflows of resources	<u>85,741</u>	<u>10,601</u>
Invested in capital assets	480,000	480,000
Unrestricted	(21,613,777)	(649,615)
Total net position	<u>\$ (21,133,777)</u>	<u>\$ (169,615)</u>

99.5 % of revenue was generated principally from capital lease income and indemnity refund payments. Total general revenues decreased over the prior year by \$215,191 which was primarily related to decrease in investment income and legal fees reimbursements. During the current year the advance to the CMHF Pension Plan was forgiven by the Board as the result of conclusion of litigation by the Board to recover funds from the Plan Administrator which resulted in no funds recovered by the Board.

A condensed version of the Statement of Activities follows:

For the Fiscal Year Ended September 30, 2021

	Governmental Activities/ Total Governmental	
	2021	2020
Revenues		
General revenues		
Ad valorem taxes	\$ 1,413	\$ 1,782
Investment income	3,269	95,200
Capital lease income	1,037,400	1,037,400
Miscellaneous income	4,960	-
Legal fees reimbursements	1,155,962	1,283,813
Total revenues	<u>2,203,004</u>	<u>2,418,195</u>
Expenses		
General government	2,635,886	1,872,509
Economic environment	-	1,670,000
Total expenses	<u>2,635,886</u>	<u>3,542,509</u>
Escrow Account Transactions		
Investment income	-	191,855
Contributions to CCCC	(21,280)	(303,852)
Contribution to WVCC	(2,500,000)	-
Indemnity payments	(610,000)	-
Total escrow accounts	<u>(3,131,280)</u>	<u>(111,997)</u>
Special item - receivable write down	<u>(17,400,000)</u>	<u>-</u>
Change in net position	(20,964,162)	(1,236,311)
Beginning net position	(169,615)	1,066,696
Ending net position	<u>\$ (21,133,777)</u>	<u>\$ (169,615)</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Board leased all land, buildings, improvements, equipment, furniture, and fixtures to the Citrus Memorial Health Foundation, Inc. (the Foundation) under a lease agreement for the operation of the Citrus Memorial Health System. The leased facilities were accounted for as a capital lease; therefore, none of these assets are shown in the financial statements of the Board. On September 16, 2013 the Board and the Foundation selected West Florida Division, Inc. (HCA-WFD), an affiliate

of HCA Holdings, Inc. and Citrus Memorial Hospital, Inc. (Lessee), to lease the hospital. After further negotiations the lease of the hospital was consummated on November 1, 2014 (closing date). At the commencement of the new lease, the existing lease between the Board and the Foundation was terminated. As a result of this new lease agreement and prepayment by HCA-WFD unearned capital lease income in the amount of \$44,694,650 was recorded at year end. This is discussed further in the Notes to Financial Statements.

Additionally, as discussed in greater detail in the related disclosure, all payments of principal and interest were payable solely by the Foundation from their gross revenues. In accordance with the terms of the Master Settlement Agreement, the Foundation's obligations related to debt were paid in full at the time of the lease transaction. The Board's only liability for debt is its proportionate share of the Florida Retirement System net pension liability of \$70,895 at the fiscal year end. This is discussed in detail in the Notes to Financial Statements.

CURRENT ACTIVITIES

During the prior and current years, the Board has transitioned from providing financial support to the Citrus Memorial Hospital in serving eligible indigent patients to assisting the Foundation in winding down its affairs and fulfilling the Board's and Foundation's financial obligations relating to the Global Allocation and Contribution Agreement (the Agreement) relating to the long-term lease of the hospital facilities to HCA-WFD.

During the current year this has involved various legal actions and issues which required significant legal fees as follows:

FRC indemnity issues relating to claims from government and private healthcare agencies and related issues	\$ 85,837
FRC pension plan assets administration	2,253,103
	<u>\$ 2,338,940</u>

The Board has closely monitored these FRC expenses and anticipates that monetary recoveries and reduced indemnity claim amounts will substantially exceed the legal expenses incurred, and allow CCHB to provide additional funds to the CCCCCF.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide readers with a general overview of the Board's finances and to reflect the Board's accountability for the revenues it receives. If you have questions about this report or need additional financial information, contact the Citrus County Hospital Board, P.O. Box 1030, Inverness, Florida 34451.

CITRUS COUNTY HOSPITAL BOARD

STATEMENT OF NET POSITION

September 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash	\$ 5,342,157
Restricted cash	17,868,761
Capital assets	480,000
Total assets	<u>23,690,918</u>
DEFERRED OUTFLOWS	
Pension obligations	<u>50,792</u>
LIABILITIES	
Current liabilities	
Accounts payable	15,944
Accrued salaries and benefits	8,257
Unearned capital lease income, current portion	1,037,400
Net pension liability	14,124
Total current liabilities	<u>1,075,725</u>
Long-term liabilities	
Unearned capital lease income, non-current portion	43,657,250
Net pension liability	56,771
Total long-term liabilities	<u>43,714,021</u>
Total liabilities	<u>44,789,746</u>
DEFERRED INFLOWS	
Pension obligations	<u>85,741</u>
NET POSITION	
Invested in capital assets	480,000
Unrestricted	(21,613,777)
Total net position	<u>\$ (21,133,777)</u>

See notes to financial statements.

CITRUS COUNTY HOSPITAL BOARD
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

	Expenses	Net (Expense) Revenue and Change in Net Position Governmental Activities Total
Governmental activities:		
General government	\$ (2,635,886)	\$ (2,635,886)
Total governmental activities	\$ (2,635,886)	(2,635,886)
General revenues:		
Ad valorem taxes		1,413
Investment income		3,269
Capital lease income		1,037,400
Miscellaneous income		4,960
Legal fees reimbursement		1,155,962
Total general revenues		2,203,004
Escrow account transactions:		
Indemnity payments		(610,000)
Contributions to Veterans Village of Citrus County		(2,500,000)
Contributions to Citrus County Community Charitable Foundation		(21,280)
Total escrow account transactions		(3,131,280)
Special item - receivable write down		(17,400,000)
Change in net position		(20,964,162)
Net position, beginning of year		(169,615)
Net position, end of year		\$ (21,133,777)

See notes to financial statements.

**CITRUS COUNTY HOSPITAL BOARD
GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2021**

	General Fund
ASSETS	
Cash	\$ 5,342,157
Restricted cash	17,868,761
Total assets	23,210,918
LIABILITIES	
Accounts payable	15,944
Accrued salaries and benefits	8,257
Unearned capital lease income	44,694,650
Total liabilities	44,718,851
FUND BALANCE	
Unassigned	(21,507,933)
Total fund balance	(21,507,933)

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	480,000
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore are not reported in the governmental funds.	50,792
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore are not reported in the governmental funds.	(85,741)
Long-term liabilities are not due in the current period and, therefore, are not reported in governmental funds	
Net pension liability	(70,895)
Net position	\$ (21,133,777)

See notes to financial statements.

CITRUS COUNTY HOSPITAL BOARD
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2021

	<u>General Fund</u>
REVENUES	
Ad valorem taxes	\$ 1,413
Investment income	3,269
Capital lease income	1,037,400
Miscellaneous income	4,960
Legal fees reimbursements	1,155,962
Total revenues	<u>2,203,004</u>
EXPENDITURES	
General government	
Personnel services	173,868
Operating expenses	2,465,177
Total expenditures	<u>2,639,045</u>
Deficit of revenues under expenditures	(436,041)
ESCROW ACCOUNT TRANSACTIONS	
Contributions to Veterans Village of Citrus County	(2,500,000)
Contributions to Citrus County Community Charitable Foundation	(21,280)
Transaction expenses-indemnity payments	16,790,000
Total escrow account transactions	<u>14,268,720</u>
Special Item - receivable write down	<u>(17,400,000)</u>
Net change in fund balance	(3,567,321)
Fund balances, at beginning of year	(540,612)
Fund balances, at end of year	<u>\$ (4,107,933)</u>

See notes to financial statements.

CITRUS COUNTY HOSPITAL BOARD

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

Net change in fund balance - total governmental fund \$ (20,967,321)

Amounts reported for governmental activities in the
statement of activities are different because:

Some expenses reported in the statement of activities do not
require the use of current financial resources and, therefore,
are not reported as expenditures in governmental funds.

Net change in pension liability 96,432

Recognition of certain obligations related to prior and future
periods are not recognized in governmental funds.

Net decrease in deferred outflows	(18,133)	
Net decrease in deferred inflows	(75,140)	<u>(93,273)</u>

Change in net position of governmental activities \$ (20,964,162)

See notes to financial statements.

**CITRUS COUNTY HOSPITAL BOARD
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Citrus County Hospital Board (the Board) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

Reporting Entity

The Citrus County Hospital Board (CCHB) is a special purpose independent special district of the State of Florida located in Citrus County, Florida. The Citrus County Hospital Board is organized and exists under the laws of the State of Florida pursuant to Chapter 99-442, *Laws of Florida* as amended, and as particularly amended by Chapter 2001-308, *Laws of Florida*. Effective July 1, 2011 the aforementioned laws were recodified into Chapter 2011-256, *Laws of Florida*, which expanded the role and responsibilities of the Citrus County Hospital Board countywide. The Citrus County Hospital Board's purpose is to operate in Citrus County, hospitals, medical nursing homes, and convalescent homes for the benefit of the citizens and residents of Citrus County, Florida.

The Citrus County Hospital Board has the power to, but not be limited to, acquire and dispose of real and personal property, to build, elect, expand, equip, maintain, operate, alter, change, lease, finance, and repair hospitals, medical nursing homes, convalescent homes, medical care facilities, and clinics in Citrus County, Florida; to establish a medical staff, to employ personnel, and issue bonds.

Effective October 14, 2014 this law was amended by Chapter 2014 - 254 *Laws of Florida* which allowed the CCHB to create a community trust or foundation to manage funds provided by CCHB and develop and implement a county health plan.

The criteria used in determining the scope of the entity for financial reporting purposes is that of management oversight by the Board of Trustees of the Citrus County Hospital Board. There are no entities considered to be component units of the Citrus County Hospital Board; therefore, the financial statements include only the operations of the Board. Likewise, the Board is not includible as a component unit within another reporting entity.

Basic Financial Statements - GASB Statement No. 34

The government-wide statement of net position is reflected on a full accrual, economic resource basis. The government-wide statement of activities reflects both the gross and net costs of the Citrus County Hospital Board's functional categories of general government and healthcare which are primarily supported by earnings on reserved funds. There are no program revenues directly associated with the Citrus County Hospital Board's functions. Historically, the previous financial reporting model did not summarize or present net cost by function or activity.

Basis of Presentation

The financial transactions of the Citrus County Hospital Board are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The purpose of each fund to separate financial information in a manner that will allow the Citrus County Hospital Board to comply with legal requirements and GAAP. All such activities are included in the following fund:

- **Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. They include general, special revenue, capital project and debts service funds. The measurement focus of governmental funds (presented as fund financial data in the basic financial statements) is upon determination of financial position and changes in financial position (the sources, uses, and balance of financial resources) rather than upon net income. The only current active fund and major fund within the Citrus County Hospital Board is described below:

- **General Fund** – The general fund is established to account for all financial transactions not properly accounted for in other funds.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The combined government-wide and fund financial statements presents fund financial data on a modified accrual basis of accounting.

- **Modified Accrual**

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. For this purpose, the government considers revenues to be available when they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The exception to this general rule is that debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, if any, are recorded only when payment is due.

Budgetary Data

- **Budgetary Policy**

An annual budget is prepared and submitted to the Board of Trustees. Public hearings are conducted with the appropriate meeting dates published in the newspaper. The adopted budget amounts are presented in the accompanying basic financial statements for the general fund. The Board of Trustees approves any budget amendments. The budget is prepared on a basis consistent with GAAP. Total budgeted appropriations within a governmental fund type may not be exceeded legally. Appropriations lapse at the end of the year. Budget data, when presented in the

financial statements is prepared on the same basis of accounting as that prescribed for the fund.

- **Encumbrance Accounting**

The Citrus County Hospital Board does not employ an encumbrance system. However, in the event encumbrances are outstanding at year-end, open purchase orders will be reported as reservations of fund balance for subsequent year purchases and not treated as current fund expenditures, in accordance with GAAP

Fund Balances – Governmental Funds

As of September 30, 2021, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Governing Board. The Board is the highest level of decision making for the Board. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board’s general procedure, only the Board of Trustees may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of September 30, 2021, fund balances are composed of the following:

	<u>Governmental Fund</u>
Unassigned	<u>\$ (21,507,933)</u>
	<u>\$ (21,507,933)</u>

As applicable year to year, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Board of Trustees considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Accrued Compensated Absences

The Board accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amount for governmental fund are maintained separately and represent a reconciling item between the fund and government-wide presentation.

Unearned Revenues

Unearned revenues reported in government-wide financial statements represent revenues received but not earned. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. At September 30, 2021, the Board reported \$44,694,650 in unearned lease revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Board only has one item that qualifies for reporting in this category. It is the deferred charge on pensions in the government-wide statement of net position. Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the Board's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Board has only one type of item, which is related to pensions. Deferred inflows on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the Board's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position.

“Total fund balances” of the Board’s governmental funds \$(540,612) differs from “net position” of governmental activities \$(169,615) reported in the statement of net position. This difference results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Long-term debt transactions

Long-term liabilities to the Board’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2021 were:

Net pension liability	<u>\$ (70,895)</u>
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Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position in a future period while deferred inflows of resources represent an acquisition of net position in a future period and accordingly, are not reported in the governmental fund statements. However, the statement of net position included those deferred outflows/inflows of resources.

Deferred outflows	\$ 50,792
Deferred inflows	(85,741)
	<u>\$ (34,949)</u>

Capital assets

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the Board as a whole.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>\$ 480,000</u>
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NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

	Total Governmental Funds	Capital Related Items	Deferred Inflows/Outflows	Long-Term Debt Transactions/ Eliminations	Statement of Net Assets
ASSETS					
Cash	\$ 5,342,157	\$ -	\$ -	\$ -	\$ 5,342,157
Restricted cash	17,868,761	-	-	-	17,868,761
Capital assets	-	480,000	-	-	480,000
Total assets	<u>23,210,918</u>	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>23,690,918</u>
DEFERRED OUTFLOWS					
Pension obligations	-	-	50,792	-	50,792
LIABILITIES					
Accounts payable	15,944	-	-	-	15,944
Accrued salaries	8,257	-	-	-	8,257
Due to Citrus County Community Charitable Foundation	-	-	-	-	-
Unearned capital lease income	44,694,650	-	-	-	44,694,650
Compensated absences	-	-	-	-	-
Net pension liability	-	-	-	70,895	70,895
Total liabilities	<u>44,718,851</u>	<u>-</u>	<u>-</u>	<u>70,895</u>	<u>44,789,746</u>
DEFERRED INFLOWS					
Pension obligations	-	-	85,741	-	85,741
FUND BALANCE/NET POSITION					
Unassigned	(21,507,933)	480,000	(34,949)	(70,895)	(21,133,777)
Total fund balance/net position	<u>\$ (21,507,933)</u>	<u>\$ 480,000</u>	<u>\$ (34,949)</u>	<u>\$ (70,895)</u>	<u>\$ (21,133,777)</u>

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for governmental funds \$1,213,765 differs from the "change in net position" for governmental activities \$1,236,311 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Long-term Debt Related Items

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Change in net pension liability	<u>\$ 96,432</u>
---------------------------------	------------------

Deferred outflows/inflows of resources

Recognition of certain obligations related to prior and subsequent periods are not recognized in governmental funds.

Net increase in deferred outflows	\$ (18,133)
Net decrease in deferred inflows	<u>(75,140)</u>
	<u>\$ (93,273)</u>

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Differences Between Government Fund Operating Statements and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Deferred Inflows/Outflows	Long-Term Debt Transactions	Statement of Activities
REVENUES					
Ad valorem taxes	\$ 1,413	-	-	-	\$ 1,413
Investment income	3,269	-	-	-	3,269
Capital lease income	1,037,400	-	-	-	1,037,400
Miscellaneous income	4,960	-	-	-	4,960
Legal fees reimbursements	1,155,962	-	-	-	1,155,962
Total revenues	2,203,004	-	-	-	2,203,004
EXPENDITURES					
General government					
Personnel services	173,868	-	93,273	(96,432)	170,709
Operating expenses	2,465,177	-	-	-	2,465,177
Total general government	2,639,045	-	93,273	(96,432)	2,635,886
Excess of revenues over expenditures	(436,041)	-	(93,273)	96,432	(432,882)
OTHER FINANCING SOURCES (USES)					
Contributions to Veterans Village of Citrus County	(2,500,000)	-	-	-	(2,500,000)
Special item - receivable withdrawn	(17,400,000)	-	-	-	(17,400,000)
Transaction expenses, indemnity payments	(610,000)	-	-	-	(610,000)
Transfer out, Citrus County Community Charitable Foundation	(21,280)	-	-	-	(21,280)
Total other financing sources (uses)	(20,531,280)	-	-	-	(20,531,280)
Net change in fund balance	(20,967,321)	-	(93,273)	96,432	(20,964,162)
Fund balances, at beginning of year	(540,612)	480,000	58,324	(167,327)	(169,615)
Fund balances, at end of year	\$ (21,507,933)	\$ 480,000	\$ (34,949)	\$ (70,895)	\$ (21,133,777)

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance-related Legal and Contractual Provisions

The Citrus County Hospital Board believes it has no material violations of finance-related legal and contractual provisions.

NOTE 4. CASH AND CASH INVESTMENTS

The Citrus County Hospital Board's general fund cash is maintained in two bank accounts, with a carrying amount of \$5,342,157. The Board's cash deposits are held by the same bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, *Florida Statutes*. The Citrus County Hospital Board's cash deposits are fully insured by the Public Deposits Trust Fund.

In addition to its general cash fund, the Citrus County Hospital Board is custodian of restricted cash in trust escrow bank accounts. Balances in these accounts totaled \$17,868,761 at September 30, 2021 and consisted primarily of uninsured money market funds. All interest income earned on these funds is considered restricted under the same conditions establishing the escrow bank accounts. The creation of these escrow accounts were directed and are governed by the Master Settlement Agreement that resulted from the settlement of ongoing litigation. This is discussed in greater detail in Note 10.

Investment Policy

The Citrus County Hospital Board follows the *Florida Statutes* in investing its funds which authorize the Board to invest and reinvest any surplus public funds in:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized by *Florida Statutes*.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories, as defined by *Florida Statutes*.
- Direct obligations of U.S. Treasury.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a deposit policy for custodial credit risk. As of September 30, 2021, \$17,868,761 of the Board's bank balances of \$23,210,918 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized escrow accounts	<u>\$ 6,500,000</u>
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These funds are contained in the escrow accounts required by the Master Settlement Agreement.

NOTE 5. COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS – FLORIDA RETIREMENT SYSTEM PENSION PLAN AND THE RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

Florida Retirement System

General Information - All of the Board's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, Board school board, state university, community college, or a participating Board or special Board within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

A. Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular—10.00% and 10.82%; Special Risk—24.45% and 25.89%; Senior Management Service—27.29% and 29.01%; Elected Officers'—39.73% and 40.91%; and DROP participants—16.98% and 18.34%. These employer contribution rates include —1.66% and —1.66% HIS Plan subsidy for the periods October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively.

The Board's contributions, including employee contributions, to the Pension Plan totaled \$15,342 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the Board reported a liability of \$22,796 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Board's proportionate share of the net pension liability was based on the Board's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the Board's proportionate share was .000301775 percent, which was an increase of 9.39 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2021, the Board recognized pension expense of \$4,300. In addition, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,907	\$ -
Changes in assumptions	15,598	-
Net difference between projected and actual earnings on HIS Plan investments	-	79,528
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	13,193	1,887
Town HIS Plan contributions subsequent to the measurement date	3,053	-
Total	\$ 35,751	\$ 81,415

The deferred outflows of resources related to the Pension Plan, totaling \$3,053 resulting from Board contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	
2022	\$ (8,580)
2023	(10,005)
2024	(13,253)
2025	(16,983)
2026	104
Thereafter	-
	\$ (48,717)

Actuarial Assumptions - The total pension liability in the July 1, 2021 actuarial valuation was determined, using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.00%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Discount rate	6.80%

Mortality rates were based on the Pub 2010 Base Table Generational Mortality using the gender specific Generational MP-2018 Mortality Improvement Projection Scale.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.10%	2.10%	1.10%
Fixed Income	20.00%	3.80%	3.70%	3.30%
Global Equity	54.20%	8.20%	6.70%	17.80%
Real Estate	10.30%	7.10%	6.20%	13.80%
Private Equity	10.80%	11.70%	8.50%	26.40%
Strategic Investments	3.70%	5.70%	5.40%	8.40%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.20%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Board's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Board's proportionate share of the net pension liability	<u>\$ 101,945</u>	<u>\$ 22,796</u>	<u>\$ (43,364)</u>

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2021, the Board had \$ 0 payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2021.

B. HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution for the period October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021 was 1.66% and 1.66%, respectively. The Board contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Board's contributions to the HIS Plan totaled \$3,076 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2021, the Board reported a liability of \$48,099 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Board's proportionate share of the net pension liability was based on the Board's 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the Board's proportionate share was .0003921187 percent,

which was an increase of .24 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2021, the Board recognized pension expense of \$6,693. In addition, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,610	\$ 20
Changes in assumptions	3,780	1,982
Net difference between projected and actual earnings on HIS Plan investments	50	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	9,044	2,324
Town HIS Plan contributions subsequent to the measurement date	557	
Total	\$ 15,041	\$ 4,326

The deferred outflows of resources related to the HIS Plan, totaling \$557 resulting from Board contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	
2022	\$ 2,798
2023	891
2024	1,840
2025	2,441
2026	1,826
Thereafter	362
	\$ 10,158

Actuarial Assumptions - The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.16%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2021; valuations were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate - The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Board's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Board's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Towns's proportionate share of the net pension liability	\$ 55,607	\$ 48,099	\$ 41,948

Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2021, the Board had \$ 0 payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2021.

C. Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Board employees participating

in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Board Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2020-21 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and Board Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Board.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Board did not have any participants in the Investment Plan for the fiscal year ended September 30, 2021.

NOTE 6. LEASE AND MEDICAL SERVICES AGREEMENTS WITH THE FOUNDATION

On March 1, 1990, the Citrus County Hospital Board (the Board) entered into a lease agreement with the Citrus Memorial Health Foundation (the Foundation), a Florida not-for-profit corporation for the purpose of operating the public hospital as the alter-ego of the Board. The Foundation leased from the Board all the land, buildings, improvements, equipment, furniture, and fixtures of and pertaining to Citrus Memorial Health System. Under the lease, the Foundation agreed to make rental payments equal to the principal and interest and any premium on the Hospital Revenue and Revenue Refunding Bonds. The initial term of the lease was amended to expire on June 15, 2033, unless sooner terminated in accordance with the provisions of the lease.

When the Citrus County Hospital Board executed the above lease, it simultaneously entered into an agreement for hospital care whereby the Board agreed to assist the Foundation pursuant to all applicable laws and in its sole and absolute discretion, with funding for operations and the acquisition, expansion, and maintenance of proposed and existing hospital and health facilities in exchange for medical services provided by the Foundation to residents of Citrus County, Florida. Each of these agreements were terminated effective October 31, 2014. This is discussed further in Note 10.

NOTE 7. LONG-TERM LEASE OF HOSPITAL WITH WEST FLORIDA DIVISION, INC.

On September 16, 2013, the Citrus County Hospital Board (CCHB) and the Citrus Memorial Health Foundation, (Foundation) selected West Florida Division, Inc. (HCA-WFD), an affiliate of HCA Holdings, Inc. and Citrus Memorial Hospital, Inc. (Lessee), to purchase or lease the hospital. After further negotiations the lease of the hospital was consummated on November 1, 2014 (closing date). At the commencement of the new lease, the existing lease between CCHB and the Foundation was terminated.

The total consideration paid for the purchase of the personal property, the accounts receivable, all inventory, prepaid expenses, assumed contracts, permits and approvals by any governmental authorities, and other tangible and intangible assets as well as the prepaid rent for the lease of the real property totaled \$131,183,242. Of this amount, \$51,870,000 was received as consideration for prepaid rent for the term of the leased hospital. The initial term of the lease is fifty years with the option for HCA-WFD to renew for an additional twenty-five years. The amount received as prepaid rent will be amortized over the life of the initial term, with the renewal term rental value to be determined no later than twenty-seven months prior to the expiration of the initial term. The prepaid rent totaling \$51,870,000 will be amortized over the fifty years beginning on November 1, 2014 and ending on October 31, 2064. Lease income in the amount of \$1,037,400 was recognized for the fiscal year ended September 30, 2021. These funds and all future lease income are restricted as prescribed by the Master Settlement Agreement and are transferable to Citrus County Community Charitable Foundation, Inc. as discussed further in Note 10. A schedule of future lease income is as follows:

Fiscal Year Ending September 30	Amount to be Recognized
2022	\$ 1,037,400
2023	1,037,400
2024	1,037,400
2025	1,037,400
2026	1,037,400
2027-2031	5,187,000
2032-2036	5,187,000
2037-2041	5,187,000
2042-2046	5,187,000
2047-2051	5,187,000
2052-2056	5,187,000
2057-2061	5,187,000
2062-2064	3,198,650
	<u>\$ 44,694,650</u>

NOTE 8. RISK MANAGEMENT

The Citrus County Hospital Board is exposed to various risks of loss related to theft of, damage to and destruction of assets, and injury or death on the job of all employees. These risks are primarily covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial or workers' compensation insurance converges for the past three years. There has been no reduction in insurance coverage from the previous year.

NOTE 9. CONTINGENCIES

During the year the Citrus County Hospital Board (Hospital Board) was assisting the Foundation Resolution Corporation f/k/a Citrus Memorial Health Foundation, Inc. (the FRS) in legal and regulatory matters relating to the period in which FRC operated the Citrus Memorial Hospital (Hospital). These issues included the Agency for Health Care Administration's claim that the Hospital had been paid \$5.89 million in excess ineligible Medicaid payments as well as having filed erroneous Medicare Cost Reports and other health care related program payments.

The Hospital Board, on behalf of and in partnership with the FRC, is actively contesting and seeking settlement of these claims at no cost or lowered amounts through its contracted law firms, who believe the claims will be settled with substantially lowered amounts. Any eventual payments made to settle these claims will come from specifically restricted funds from the Hospital lease proceeds that are escrowed for this purpose. These funds fully exceed the maximum amounts of the known claims.

All recovered funds and funds kept from recoupment by the regulatory agencies shall be provided to the CCCC.

During the closeout of the FRS defined benefit pension plan (the Plan) it was found that approximately \$17,000,000 in additional funds were needed to fully meet the pension obligations to the pensioners. As a result a loan in the amount of \$17,400,000 was made to the Plan by the Hospital Board from its escrow accounts. The Plan subsequently initiated litigation against the Plan's administrator to recover losses incurred due to mismanagement of the Plan's assets and operations. During the current year this litigation was completed resulting in no recoveries to the Plan. The Board subsequently wrote off the loan to the Plan in the amount of \$17,400,000.

NOTE 10. MASTER SETTLEMENT AGREEMENT

On September 16, 2013, the Citrus County Hospital Board (the Hospital Board) and the Citrus Memorial Health Foundation (Foundation) selected West Florida Division, Inc. (HCA-WFD), an affiliate of HCA Holdings, Inc. and Citrus Memorial Hospital, Inc. (Lessee), to lease the hospital. After further negotiations the lease of the hospital was consummated on November 1, 2014 (closing date). At the commencement of the new lease, the existing lease between the Hospital Board and the Foundation was terminated.

As part of the transaction with HCA-WFD, the Hospital Board and the Foundation entered into a Global Allocation and Contribution Agreement (the Agreement). This Agreement sets forth the terms, conditions, and obligations among the Hospital Board and the Foundation with regards to the lease of the hospital to HCA-WFD. Among other things the agreement requires the formation of the Citrus County Community Charitable Foundation, Inc., (CCCCF) a Florida not for profit

corporation; to manage the final net proceeds from the lease and to ensure that such funds are appropriated only for the medially related needs of the citizens of Citrus County.

The Agreement also requires that the Foundation provide to the Hospital Board its executed Articles of Dissolution. Those Articles will be filed by the Hospital Board either upon written notice from the Foundation to the Hospital Board that it has winded down its affairs and desires to dissolve, or the passage of six months from the date of closing. In February, 2015, the Foundation adopted a plan of liquidation and filed liquidation documents with the State of Florida to begin a winding down of its remaining operations.

The total consideration paid for the purchase of the personal property, the accounts receivable, all inventory, prepaid expenses, assumed contracts, permits and approvals by any governmental authority, and other tangible and intangible assets as well as the prepaid rent for the lease of the real property totaled \$131,183,242. Pursuant to the terms of an indemnification escrow agreement, \$38,700,000 of the proceeds are to be held by an escrow agent as collateral to secure the Hospital Board and the Foundation's continuing litigations, covenants, agreements and liabilities. Additionally, \$25,000,000 of the proceeds will be placed into a pension escrow account available for loans for funding of the Foundation's defined benefit retirement plan. Proceeds were also used to retire all debt of the Foundation. The remaining proceeds were escrowed for purposes of winding down corporate affairs of the Foundation.

There are several other provisions that were agreed to by the parties and they include a) all employees of the Foundation were guaranteed one year of employment by the lessee; b) the Foundation was required to purchase tail liability insurance and liability insurance for all known claims; c) the Foundation was required to enter into a Letter of Agreement with the American Health Care Association to remit \$1,346,039 in funds to be used for the provision of health services to Medicaid, uninsured, and underinsured residents as set forth in the Letter of Agreement; d) as discussed above, at the closing date the Hospital Board and the Foundation will deposit into an escrow account \$25,000,000 for the funding of the Foundation's defined benefit retirement plan; e) the Foundation will have settled the Kyphoplasty investigation; f) the Foundation within 10 days of closing will change its corporate name to a name that is not similar to, or confusing with the name "Citrus Memorial Hospital" or "Citrus Memorial Health System", the name of the organization was changed to the Foundation Resolution Corporation; g) for a period of 15 years following the closing date the lessee will continue to provide obstetrics and emergency room services at its current location assuming the availability of qualified personnel and physicians; and h) following closing the lessee will implement the standard Charity Care policies of HCA and its Affiliates and not modify those policies for a period of five years.

The agreement sets out in detail how the Foundation must spend its cash on hand and how it must request from the escrow agent amounts in excess of their cash on hand to pay expenses to wind down its affairs.

As of September 30, 2021, the Foundation was still in the process of dissolving operations. In accordance with the provisions of the Agreement, loans in the amount of \$17,400,000 have been made from the escrow accounts of the Foundation's pension plan to provide sufficient funds to close out the plan. This loan was subsequently forgiven by the Hospital Board in the current year when litigation to recover funds from the Pension Plan's administration resulted in no recoveries to the Plan

As mentioned above, the CCCCFF was formed to manage proceeds from the lease with HCA-WFD provided by the CCHB pursuant to Chapter 2014 - 254 *Laws of Florida*. These net proceeds, including all interest earned, lease income recognized, and remaining prepaid rent will be transferred to CCCCFF upon the dissolution of the Foundation and final settlement of lease issues in accordance with the Agreement from the indemnification and pension escrow accounts.

NOTE 11. SUBSEQUENT EVENTS

In preparing these financial statements, the Board has evaluated events and transactions for potential recognition or disclosure through March 30, 2022, the date the financial statements were available to be issued.

NOTE 12. CAPITAL ASSETS - SUBSEQUENT EVENT

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets:				
Land	\$ 480,000	\$ -	\$ -	\$ 480,000
	<u>\$ 480,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,000</u>

On March 4, 2022 subsequent to year end, the Board accepted an offer of \$425,000 for sale of its land. The sale is subject to a 180 day due diligence period.

NOTE 13. LONG-TERM LIABILITIES**Summary of changes in long-term liabilities**

The following summarizes the changes in the Board's long-term liabilities during the year ended September 30, 2021:

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021	Due within One Year
Net Pension Liability	\$ 167,327	\$ -	\$ (96,432)	\$ 70,895	\$ 14,124
	<u>\$ 167,327</u>	<u>\$ -</u>	<u>\$ (96,432)</u>	<u>\$ 70,895</u>	<u>\$ 14,124</u>

NOTE 14. POST-EMPLOYMENT BENEFITS

The Board does not currently offer health insurance benefits to its employees, and thus has no liability for post-employment benefits.

NOTE 15. COVID-19 CONTINGENCY

In March, 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) was characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Board. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets and (v) the effects on the economy overall, all of which are uncertain.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITRUS COUNTY HOSPITAL BOARD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Ad valorem taxes	\$ -	\$ 1,413	\$ 1,413	\$ -
Investment income	120,000	3,000	3,269	269
Capital lease income	-	-	1,037,400	1,037,400
Miscellaneous	-	1,632	4,960	3,328
Legal fees reimbursements	-	3,155,962	1,155,962	-
Total revenues	120,000	3,162,007	2,203,004	(959,003)
EXPENDITURES				
General government				
Personnel	162,100	169,030	173,868	(4,838)
Tax Collector fees	-	100	28	72
Property Appraiser fees	-	-	-	-
Legal services	75,000	42,000	40,628	1,372
Legal services- FRC issues	850,000	2,340,000	2,339,428	572
Audit services	17,300	17,300	17,020	280
Other professional services	17,000	8,700	8,250	450
Office supplies and equipment	500	600	543	57
Telephone and internet services	3,400	3,400	3,490	(90)
Printing and copying	400	400	-	400
Postage and shipping	400	400	363	-
Rent	5,500	5,700	5,653	47
Travel	700	800	718	82
Insurance	39,000	47,500	47,273	227
Advertising	300	300	226	74
Membership fees	300	300	175	125
Bank fees	200	-	-	-
Miscellaneous	3,000	1,500	1,382	118
Total general government	1,175,100	2,638,030	2,639,045	(1,015)
Excess of revenues over (under) expenditures	(1,055,100)	523,977	(436,041)	(957,988)
OTHER FINANCING SOURCES (USES)				
Contribution to Veterans Village of Citrus County	-	(2,500,000)	(2,500,000)	-
Transfer out, Citrus County Community Charitable Foundation	-	(10,202)	(21,280)	(11,078)
Special Item - receivable withdrawn	-	-	(17,400,000)	(17,400,000)
Transaction expenses-indemnity payments	-	-	(610,000)	(610,000)
Total other financing sources (uses)	-	(2,510,202)	(20,531,280)	(18,021,078)
Net change in fund balance	(1,055,100)	(1,986,225)	(20,967,321)	(18,981,096)
Fund balances, at beginning of year	8,382,895	5,892,331	(540,612)	(6,432,943)
Fund balances, at end of year	\$ 7,327,795	\$ 3,906,106	\$(21,507,933)	\$(25,414,039)

See notes to required supplementary information.

**CITRUS COUNTY HOSPITAL BOARD
GENERAL FUND
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2021**

I. Stewardship, Compliance and Accountability:

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for its governmental fund. All annual appropriations lapse at fiscal year end.

The Citrus County Hospital Board (CCHB) generally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with *Florida Statutes*, prior to July 15, the CCHB develops a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the CCHB.
3. After public hearings and necessary revisions have been completed, the budget is legally enacted through passage of a resolution.
4. Revisions that alter the total expenditures of any fund must be approved by the CCHB. The legal level of budgetary control is at the line item level.
5. Formal budgetary integration is employed as a management control device during the year.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITRUS COUNTY HOSPITAL BOARD'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
Board's proportion of the FRS net pension liability (asset)	0.000301775%	0.000275866%	0.000268982%	0.000260692%	0.000281693%	0.000149882%	0.000204750%
Board's proportionate share of the FRS net pension liability (asset)	\$ 22,796	\$ 119,564	\$ 92,634	\$ 76,522	\$ 83,323	\$ 37,845	\$ 26,446
Board's proportion of the HIS net pension liability (asset)	0.000392119%	0.000391182%	0.000381258%	0.000381258%	0.000396599%	0.000163377%	0.000226219%
Board's proportionate share of the HIS net pension liability (asset)	48,099	47,763	42,659	38,825	42,406	19,041	23,071
Board's proportionate share of the total net pension liability (asset)	\$ 70,895	\$ 167,327	\$ 135,293	\$ 115,347	\$ 125,729	\$ 56,886	\$ 49,517
Board's covered-employee payroll	\$ 139,561	\$ 136,475	\$ 131,181	\$ 129,141	\$ 124,083	\$ 122,655	\$ 89,063
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.80%	122.61%	103.13%	89.32%	101.33%	46.38%	55.60%
Plan fiduciary net position as a percentage of the total pension liability	91.09%	78.55%	78.22%	79.86%	85.53%	79.36%	92.00%

Note 1) The amounts presented for each year were determined as of the June 30 year end of the Florida Retirement System

* GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITRUS COUNTY HOSPITAL BOARD'S CONTRIBUTION
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 11,854	\$ 9,623	\$ 12,541	\$ 11,466	\$ 11,772	\$ 17,661	\$ 11,397
Contractually required HIS contribution	2,377	2,265	2,177	2,144	2,059	2,036	2,011
Total Contractually Required Contributions	14,231	11,888	14,718	13,610	13,831	19,697	13,408
Contribution in relation to the contractually required contribution	(14,231)	(11,888)	(14,718)	(13,610)	(13,831)	(19,697)	(13,408)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 139,561	\$ 136,471	\$ 131,181	\$ 129,141	\$ 124,083	\$ 122,655	\$ 89,063
Contributions as a percentage of covered-employee payroll	10.20%	8.71%	11.22%	10.54%	11.15%	16.06%	15.05%

*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
THE CITRUS COUNTY HOSPITAL BOARD'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY AND REQUIRED CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
For the Fiscal Year End September 30, 2021**

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2021, are shown below (in thousands):

	<u>FRS</u>	<u>HIS</u>
Total pension liability	\$ 209,636,046	\$ 12,719,121
Plan fiduciary net position	(202,082,183)	(452,618)
	<u>\$ 7,553,863</u>	<u>\$ 12,266,503</u>
 Plan fiduciary net position as a percentage of the total pension liability	 96.40%	 3.56%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the System's fiscal years ending June 30, 2013 through June 30, 2021, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year June 30, 2015 through June 30, 2021, in addition to contributions from employers the required accrued contributions for the Division (paid on behalf of the Division's employees who administer the Plans) were allocated to each employer on a proportionate basis. The Division administers the Plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts

applicable for that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflow of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2020 for the period July 1, 2013 through June 30, 2020. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both Plans is assumed at 2.40%. Payroll growth, including inflation, for both Plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.20%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the PUB-2010 base table (refer to the valuation reports for more information – See Additional Financial and Actuarial Information).

The following changes in actuarial assumptions occurred in 2021:

- FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.
- HIS: The municipal rate used to determine total pension liability decreased from 2.21% to 2.16%.

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Citrus County Hospital Board
Inverness, 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 of Citrus County Hospital Board, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Citrus County Hospital Board's basic financial statements, and have issued our report thereof dated March 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Citrus County Hospital Board'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 Citrus County Hospital Board's internal control. Accordingly, we do not express an opinion on the effectiveness of Citrus County Hospital Board'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.

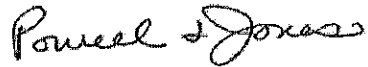
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 Citrus County Hospital Board'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.

A handwritten signature in cursive script, appearing to read "Powell & Jones".

POWELL & JONES
Certified Public Accountants
March 30, 2022

MANAGEMENT LETTER

To Board of Trustees
Citrus County Hospital Board
Inverness, Florida

We have audited the financial statements of the Citrus County Hospital Board (the Board) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 30, 2022.

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. We have issued our report on internal control over financial reporting and compliance and other matters dated March 30, 2022. Disclosures in the report, if any, should be considered in conjunction with this management letter.

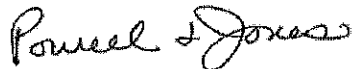
Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information:

- The *Rules of the Auditor General* [Section 10.554(1)(i)1.] requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no such items disclosed in the preceding audit report.
- The *Rules of the Auditor General* [Section 10.544.(1)(i)3.] requires that we address in the management letter any findings and recommendations to improve the Citrus County Hospital Board's financial management, accounting procedures, and internal controls. In connection with our audit we did not have any such findings or recommendations.
- The *Rules of the Auditor General* [Section 10.544(1)(i)4.] requires that we address violations of laws, regulations, contracts and grant agreements or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- The *Rules of the Auditor General* [Section 10.544(1)(i)5.] provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both qualitative and quantitative factors: (1) violations of laws, rules, regulations, and contract provisions or abuse that have occurred or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such finding.
- The *Rules of the Auditor General* [Section 10.554(1)(i)6.] requires that the name or official title and legal authority for the government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial

statements (see Note 1 to the financial statements). There were no component units to the Citrus County Hospital Board.

- The *Rules of the Auditor General* [Section 10.554(1)(i)5.(a) and 10.556(7)] require a statement to be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition(s) met. In connection with our audit, we determined that the Citrus County Hospital Board did not meet any of the conditions described in Section 218.503(1), *Florida Statutes* that might result in a financial emergency.
- The *Rules of the Auditor General* [Section 10.554(1)(i)5(b) and 10.556(8.)] require that we apply financial assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial assessment was based in part on representations made by management and the review of the financial information provided by same.

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards general accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Citrus County Hospital Board, management and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
March 30, 2022

INDEPENDENT ACCOUNTANT'S REPORT

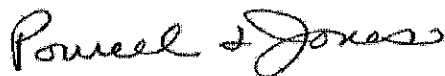
To Board of Trustees
Citrus County Hospital Board
Inverness, Florida

We have examined Citrus County Hospital Board's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for the Board's compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

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

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



POWELL & JONES
Certified Public Accountants
March 30, 2022

Communication with Those Charged with Governance

To Board of Trustees
Citrus County Hospital Board
Inverness, Florida

We have audited the financial statements of Citrus County Hospital Board for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Citrus County Hospital Board are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant Transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting Citrus County Hospital Board's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 30, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

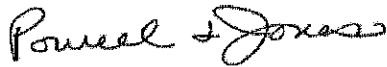
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Citrus County Hospital Board and management of Citrus County Hospital Board, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



POWELL & JONES
Certified Public Accountants
March 30, 2022

7

MINUTES OF
THE REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

MARCH 21, 2022 6:00 P.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Monday, March 21, 2022, in the Conference Room of the Annex Building located at 123 S. Pine Ave., Inverness, Florida. Vice Chairman Fallows called the meeting to order at 6:00P.M.

(2) PUBLISHED MEETING LEGAL NOTICE

(Agenda & Published Legal notice Copies On File)

(3) QUORUM PRESENT

COVID-19: All attendees to the meeting were required to use hand sanitizer. Social distancing was implemented and all persons were required to stay at least 6 feet apart, including Trustees and staff. The conference/meeting room was cleaned and sanitized pre and post meeting.

(4) ATTENDANCE

Board Members: Dr. Mark Fallows (Vice-Chairman); Dr. Jeff Wallis (Secretary/Treasurer) and Allan Bartell (Trustee)

Absent Member: Rick Harper (Trustee)

Also in attendance:

William Grant, Esq. (General Counsel)

Karen Schapira, Esq.

Karla Dozier (Administrative Assistant)

Members of the Public: Vernon Lawter (College of Central Florida), Gene McGee (Life Stream), Karla Poulos, (Doctors' Free Clinic), and Fred Hiers (Citrus County Chronicle).

(5) PUBLIC COMMENT

➤ Gene McGee: Mr. McGee addressed the Board to give an update and noted that LifeStream bought the Lecanto property, investing \$1.2 million of its own money. Also, Hernando County and Citrus County will give \$2M each to LifeStream and they will continue to negotiate with the BOCC. Mr. McGee expressed that LifeStream wants to ask the CCHB for financial help for the mental health baker act facility that will be a 30 bed residential for adults and children.

➤ Vernon Lawter: Mr. Lawter thanked the CCHB for the endowment to the College. Mr. Lawter informed the Board that the Florida Legislature will have \$19M of matching funding for nursing programs for all the colleges in Florida to compete for. The College of Central Florida wants to ask the CCHB for the possibility to consider giving additional funding to match the funding from the Legislature. These funds will help the nursing program to hire staff for the Lecanto Campus, because now they have share the staff from the Ocala Campus. Mr. Knife is the representative to seek funding from the Legislature on behalf of the College.

(6) APPROVAL OF MINUTES

MOTION by Mr. Bartell, second by Dr. Wallis to approve the Minutes from the February 15, 2022 Regular Meeting and March 04, 2022 Special Meeting. After discussion, the Motion passed unanimously, 3-0.

(7) FINANCE COMMITTEE REPORT

a) Approval of the Finance Report for January and February 2022: Dr. Fallows presented the Finance Report for January and February 2022. (Copy on file)

MOTION by Dr. Wallis, second by Mr. Bartell to approve the Finance Report for January and February 2022. The Motion passed unanimously, 3-0.

b) Approval of the Citrus County Hospital Board Invoices:

Dr. Fallows presented the invoices for March 2022. (Copy on file)

MOTION by Dr. Wallis, second by Mr. Bartell to approve payment of the CCHB invoices for March 2022 as presented. The motion passed unanimously, 3-0.

c) Approval of Invoices paid by the Citrus County Hospital Board o/b/o FRC:

Dr. Fallows presented a list of invoices to be considered for payment by the Citrus County Hospital Board o/b/o FRC for approval (Copy on file).

MOTION by Dr. Wallis, second by Mr. Bartell to approve CCHB payment of the invoices o/b/o FRC as presented. The motion passed unanimously, 3-0.

d) Other:

Dr. Fallows presented an updated Lease Proceeds report on the Escrow account (JP Morgan) and status of the money market account at Cadence Bank. (Copy on file)

(8) LEGAL

Mr. Grant advised the Board that after Mrs. Ressler's resignation the Board has to have elections to fill the vacancy of Chairperson.

Elections/ Conducted by General Counsel per direction of the CCHB Vice Chairperson.

Dr. Wallis nominates Dr. Mark Fallows for Chairperson. No additional nominations.

MOTION by Dr. Wallis, second by Mr. Bartell to close nominations for Chairperson. The Motion passed unanimously, 3-0. Dr. Mark Fallows elected Chairperson.

Dr. Wallis nominates Mr. Allan Bartell for Vice-Chairperson. No additional nominations.

MOTION by Dr. Wallis, second by Dr. Fallows to close nominations for Vice-Chairperson. The Motion passed, 3-0. Mr. Allan elected Vice-Chairperson.

The Officers of the Citrus County Hospital Board are as follows:

- 1) Chairman – Mark Fallows, DO
- 2) Vice Chairman – Allan Bartell
- 3) Secretary/Treasurer – Jeffrey Wallis, MD

Mr. Grant toured the Hospital Campus to inspect the expenditures mentioned by HCA in their annual report.

Mr. Hagar sent a letter to Mr. Grant stating the CCHB insurance carrier doesn't want to add the Foundation Resolution Corporation (FRC) as an additional insured because they don't think the CCHB has complete control of the Foundation. The next step could be to contact Mr. Stillwell to present an option to his Board to sign a Resolution where the Foundation gives the CCHB complete control of the FRC.

MOTION by Dr. Wallis, second by Mr. Bartell to approve a Resolution that would cause the Foundation Resolution Corporation to be 100% under CCHB control if the FRC consents. The motion passed unanimously, 3-0.

Mr. Grant reached out via email to Mid Florida Homeless Coalition (MFHC) to express the need to complete a Memorandum of Understanding (MOU) for them to receive the funding of \$250K. As of this day, there has been no response. Mr. Bartell asked Mr. Grant to send a letter to MFHC.

Mr. Grant distributed to the Board a Conveyance and Construction agreement between CCHB and Citrus County regarding the 491 project. *(Attached copy)*

MOTION by Dr. Wallis, second by Mr. Bartell to approve the Conveyance and Construction Agreement for the 491 project with Citrus County and authorize the Chairperson to sign. After discussion, the motion passed unanimously, 3-0.

The \$30K escrow deposit was made and is held in Escrow according to the contract for the two vacant lots in Crystal River. *(Attached copy)*

Mr. Morton sent to Mr. Grant the Broker Price Opinion (BPO) for Dr. Grillo's property *(Attached copy)*. The Board authorized Mr. Grant to contact Dr. Grillo with the BPO.

Attorney Shepard received the Commission on Ethics opinion *(Attached copy)* regarding Dr. Wallis possible conflict of interest real estate transaction for the Doctors' Free Clinic of Citrus County. The opinion stated that Dr. Wallis will not have a conflict if his wife is the realtor of the transaction because the property will be owned by the Citrus County and they will lease the property to the (DFCCC). Mr. Grant will contact the County Attorney.

Mr. Grant noted that CCCC have not sent any By-Laws amendments since July 21, 2021 for CCHB consideration and/or approval.

Ms. Arnold, CEO of Citrus County Abuse Shelter Association (CASA) sent an email to CCHB *(Attached copy)* sharing a survivor success story about a mother and son that were live in safety with the help of CASA and the funding provided by the CCHB.

Dr. Patel is in the process of buying the property on Floral City (Dr. Gelin). Also, a medical group has mentioned to HCA their interest in buying the Annex building, house of the CCHB office.

RECESS

➤ **Medicaid Recoupment:** Attorney Schapira stated that she hired new consultant, because the other consultants didn't receive the information requested. The new consultant is less expensive and can acquire needed records for at least one year.

Mr. Grant asked the CCHB to fill the vacancy left by Mrs. Ressler in the HCA advisory Board. Via consensus the Board name Dr. Wallis to be the CCHB representative.

(9) UNFINISHED BUSINESS

➤ **Foundation Resolution Corporation Update:** Dr. Fallows presented to the Board the invoice from Oliver & Company. *(Copy on file)*

MOTION by Dr. Wallis second by Mr. Bartell to approve the invoice from Oliver & Company. After discussion, the motion passed unanimously, 3-0.

- Citrus County Community Charitable Foundation (CCCCF) Update: Meeting scheduled for March 24, 2022. Dr. Fallows can't attend the meeting on March 24; neither can Mr. Bartell and Mr. Harper, because of previous engagements.
Dr. Wallis praised the work of the new CCCCCF executive director Crystal Barton.
- Doctors' Free Clinic Update: Dr. Wallis expressed that the DFCCC has a general counsel and will work with the CCHB general counsel in the different issues. Also, the DFCCC continue to see more patients and now have a Cardiologist on their staff and they are trying to get an ultra sound machine to do more procedures.

(10) NEW BUSINESS

- Approval of Records Disposition that have met their assigned retention periods: Dr. Fallows requested the Board's approval to dispose of Citrus County Hospital Board records. (Copy on file)

MOTION by Dr. Wallis, second by Mr. Bartell to dispose of the records as presented. After discussion, the motion passed unanimously, 3-0.

(11) TRUSTEE COMMENTS

None.

(12) OTHER

None.

(13) NEXT SCHEDULE MEETING DATE

The next meeting is scheduled for Monday, April 25, 2022 at 6:00pm in the Conference Room of the Annex Building, 123 S. Pine Ave. Inverness, Florida.

(14) ADJOURNMENT

MOTION by Dr. Wallis, second by Mr. Bartell to adjourn the meeting. The motion passed unanimously, 3-0.

Respectfully Submitted,

Jeff Wallis, MD.
Secretary/Treasurer

03.21.2022 Minutes Copy on File:

1. Agenda & Public Notice
2. Presentation by MFHC
3. CCHB Finance Report
4. CCHB list of Invoices
5. Report of Escrow accounts
6. FRC list of Invoices

03.21.22 Minutes Attached copy

1. 491 Conveyance and Construction Agreement
2. Copy of Escrow Deposit – Crystal River vacant lots
3. Commission on Ethics Conflict of Interest Opinion
4. BPO for Dr. Grillo's property
5. Email from CASA – Survivor success story

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**CITRUS COUNTY HOSPITAL BOARD
BALANCE SHEET
AS OF MARCH 31, 2022**

	END OF MONTH
ASSETS	
Cash	\$ 5,009,824
Due from FRC	-
Accounts Receivable	-
From Escrow Accounts	-
Prepaid Expenses	-
TOTAL ASSETS	\$ 5,009,824
 LIABILITIES	
Accounts Payable	\$ 9,059
Payroll Liabilities	605
CCCCF Escrow Interest	-
Restricted - CMHF Expenses Payable	-
TOTAL LIABILITIES	9,664
 FUND BALANCE	
Beginning of Year	5,325,665
Current Year Revenues Over (Under) Expenditures	(325,505)
Total Fund Balance	5,000,159
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 5,009,824

CITRUS COUNTY HOSPITAL BOARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACCUMULATION OF MONTHLY AMOUNTS TO ARRIVE AT YEARLY AMOUNTS

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	YEAR TO DATE	2021/22 BUDGET
REVENUES														
Ad valorem:														
Delinquent distributions	29	6												
Excess fees														
Interest income	138	124	414	116	102								164	
Legal fees reimbursements														
Indemnity Refund CMS														
Miscellaneous income														120,000
TOTAL REVENUES	168	130	114	116	102								871	120,000
EXPENDITURES														
Personnel Expenditures														
Salaries	10,439	10,550	23,753	10,660	10,661									
Employer social security tax	647	654	1,473	661	661									131,000
Employer Medicare tax	451	453	344	155	155									8,500
State unemployment tax				11	3									2,400
Health insurance														150
Employer FRS contribution	1,130	1,142	1,142	2,462	1,154									9,170
ADP fees	429	286	325	377	296									13,500
Total Personnel Expenditures	12,798	12,763	27,037	14,326	12,930									3,950
Administrative Expenditures														
Tax collector commissions	1	0												168,370
Legal services- OCHB	1,380	1,380		380	840									75,000
Legal services- FRC issues	14,332			2,275	7,445									
Transcription services														
Audit fees														
Audit fees - lease transactions														
Accounting and website services														
Consulting fees- Auditor General operations audit														
Consulting fees- Funding needs study														
Bank fees														
Membership fees	175													
Office supplies, equipment and maintenance														
Telephone and internet	289	289		287	287									
Printing and copying														
Postage, shipping, delivery														
Rent	480	480	480	322	480									
Travel, conferences and education														
Insurance	47,165		17											
Advertising	43													
Miscellaneous expense														
Total Administrative Expenditures	62,679	2,150	2,155	1,449	5,042									
Other Expenditures														
Contribution to Veterans Village of Citrus County														
Contribution to Salvation Army - Mobil Center														
Contribution to CCCC														
TOTAL EXPENDITURES	75,475	14,932	29,191	165,778	17,972									
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58,807)	(14,802)	(28,077)	(165,660)	(17,870)									
OTHER SOURCES														
Reserve for preservation of OCHB assets														
(Ch. 2014-254, Laws of Florida)														
EXCESS OF REVENUES AND OTHER USES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 5,250,357	\$ 5,310,862	\$ 5,296,687	\$ 5,180,005	\$ 5,307,794	\$ 5,325,665	\$ 5,325,665	\$ 5,325,665	\$ 5,325,665	\$ 5,325,665	\$ 5,325,665	\$ 5,325,665	\$ 5,000,160	\$ (213,570)

CITRUS COUNTY HOSPITAL BOARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE SIX MONTH ENDED MARCH 31, 2022

	MONTH	YEAR TO DATE	YEAR-TO-DATE BUDGET	POS/(NEG) VARIANCE	2021/22 BUDGET
REVENUES					
Ad valorem:					
Delinquent distributions	\$ 129	\$ 164	\$ -	\$ 164	\$ -
Excess fees			-	-	-
Interest Income	112	707	60,000	(59,293)	120,000
Legal fees reimbursement			-	-	-
Indemnity Refund CMS			-	-	-
Miscellaneous income			-	-	-
TOTAL REVENUES	241	871	60,000	(59,129)	120,000
EXPENDITURES					
Personnel Expenditures					
Salaries	10,661	76,727	65,500	(11,227)	131,000
Employer social security tax	661	4,757	4,250	(507)	8,500
Employer medicare tax	155	1,113	1,050	(63)	2,100
State unemployment tax	-	14	75	61	150
Health insurance			4,585	4,585	9,170
Employer FRS contribution	1,154	8,170	6,750	(1,420)	13,500
ADP fees	296	2,018	1,975	(43)	3,950
Total Personnel Expenditures	12,927	92,799	84,185	(8,614)	168,370
Administrative Expenditures					
Tax Collector commissions	3	3	-	(3)	-
Legal services- CCHB	1,555	4,330	37,500	33,170	75,000
Legal services- FRC issues	7,445	24,052	-	(24,052)	-
Transcription services	-	-	-	-	-
Audit fees	-	-	5,150	5,150	10,300
Audit fees - lease transactions	-	-	1,250	1,250	2,500
Accounting and website services	-	750	2,250	1,500	4,500
Consulting fees- Auditor General operations audit	-	-	1,250	1,250	2,500
Consulting fees- Funding needs study	-	-	1,250	1,250	2,500
Bank fees	-	-	100	100	200
Membership fees	-	175	150	(25)	300
Office supplies, equipment and maintenance	-	528	250	(278)	500
Telephone and internet	287	1,727	2,000	273	4,000
Printing and copying	-	-	200	200	400
Postage, Shipping, Delivery	-	322	200	(122)	400
Rent	480	2,883	2,900	17	5,800
Travel, conferences and education	-	-	250	250	500
Insurance	-	47,165	24,000	(23,165)	48,000
Advertising	24	84	150	66	300
Miscellaneous expense	309	1,559	1,500	(59)	3,000
Total Administrative Expenditures	10,102	83,577	80,350	(3,227)	160,700
Other Expenditures					
Contribution to Veterans Village of Citrus County	-	-	-	-	-
Contribution to Salvation Army - Mobil Canteen	-	150,000	-	(150,000)	-
Contribution to CCCC	-	-	-	-	-
TOTAL EXPENDITURES	23,029	326,376	164,535	(161,841)	329,070
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	(22,788)	(325,505)	(104,535)	(220,970)	(209,070)
OTHER SOURCES (USES)					
Reserve for preservation of CCHB assets (Ch. 2014-254, Laws of Florida)					
	5,325,665	5,325,665	7,600,000	(2,274,335)	7,600,000
EXCESS OF REVENUES AND OTHER USES OVER (UNDER) EXPENDITURES AND OTHER USES					
	\$ 5,302,876	\$ 5,000,160	\$ 7,495,465	\$ (2,495,305)	\$ 7,390,930

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CITRUS COUNTY HOSPITAL BOARD

INVOICES

ITEM	DATE	INVOICE #	NAME	AMOUNT
1	4/5/2022	17618	Shepard, Smith, Kohlmyer & Hand, PA	\$ 90.00
2	4/5/2022	18068	Shepard, Smith, Kohlmyer & Hand, PA	\$ 380.00
3	4/7/2022	8973951	Baker, Donelson, Bearman, Caldwell & Berkowitz, PC	\$ 1,085.00
4	4/12/2022	2576094	Vital Records Control	\$ 59.10
5	4/15/2022		Cardmember Service	\$ 60.10
6	4/19/2022	10174	Powell & Jones (October 21 thru April 22)	\$ 2,625.00
7	4/19/2022	10175	Powell & Jones (Audit)	\$ 17,230.00
8	4/19/2022		CenturyLink	\$ 285.22
9	4/19/2022		HCA (Rent for May)	\$ 480.42
10	4/22/2022		Citrus Publisig	\$ 23.02

TOTAL \$ 22,317.86

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**FOUNDATION RESOLUTION CORPORATION
INVOICES PAID BY THE
CITRUS COUNTY HOSPITAL BOARD**

ITEM	DATE	INVOICE #	NAME	AMOUNT
1	4/11/2022	1274	Karen Schapira	\$ 7,445.00
TOTAL \$				7,445.00

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JP MORGAN ESCROW ACCOUNT TRANSACTIONS
10/01/2021 - 9/30/2022

DESCRIPTION	DATE	EARNINGS	TRANSFER TO HCA	TRANSFER	TRANSFER FR	TRANSFER TO	ENDING BALANCE
BEG BALANCE	10/1/2021						6,500,000.00
TRANSACTIONS	10/31/2021	32.06					6,500,032.06
TRANSACTIONS	11/30/2021	33.12					6,500,065.18
TRANSACTIONS	12/31/2021	32.06					6,500,097.24
TRANSACTIONS	1/31/2022	33.13					6,500,130.37
TRANSACTIONS	2/28/2022	33.12					6,500,163.49
TRANSACTIONS	3/31/2022	29.92					6,500,193.41
TRANSACTIONS	4/30/2022						6,500,193.41
TRANSACTIONS	5/31/2022						6,500,193.41
TRANSACTIONS	6/30/2022						6,500,193.41
TRANSACTIONS	7/31/2022						6,500,193.41
TRANSACTIONS	8/31/2022						6,500,193.41
TRANSACTIONS	9/30/2022						6,500,193.41
		193.41					6,500,193.41

CCHB CADENCE ACCOUNT TRANSACTIONS
10/01/2021 - 9/30/2022

DESCRIPTION	DATE	EARNINGS	TRANSFER FROM CCHB	TRANSFER TO CCHB	TRANSFER TO CCHB - CCCC	TRANSFER TO CCHB - CF	WIRE FEES	ENDING BALANCE
BEG BALANCE	10/1/2021							11,368,761.26
TRANSACTIONS	10/31/2021	193.11		50.00	354.02			11,368,550.35
TRANSACTIONS	11/30/2021	186.88						11,368,737.23
TRANSACTIONS	12/31/2022	193.11						11,368,930.34
TRANSACTIONS	1/31/2022	185.44			759.98	1,000,000.00		10,368,355.80
TRANSACTIONS	2/28/2022	159.08						10,368,514.88
TRANSACTIONS	3/31/2022	176.12						10,368,691.00
TRANSACTIONS	4/30/2022							10,368,691.00
TRANSACTIONS	5/31/2022							10,368,691.00
TRANSACTIONS	6/30/2022							10,368,691.00
TRANSACTIONS	7/31/2022							10,368,691.00
TRANSACTIONS	8/31/2022							10,368,691.00
TRANSACTIONS	9/30/2022							10,368,691.00
		1,093.74	-	50.00	1,114.00	1,000,000.00	-	

Check to CCCC	10/18/2021	3137	387.14	354.02	33.12		
from CCHB	1/18/2022	3162	759.98				
			<u>1,147.12</u>				