

Audit Report #2017-01
Citrus County Community Charitable Foundation, Inc.
Annual Audit

Clerk of the Circuit Court & Comptroller

March 9, 2017

Internal Audit Division



ANGELA VICK

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
CITRUS COUNTY, FLORIDA

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March 9, 2017

The Honorable Angela Vick
Clerk of the Circuit Court and Comptroller

Dear Ms. Vick:

The Internal Audit Division (IAD) has completed an audit of the organizational and financial records of the Citrus County Community Charitable Foundation, Inc. (Foundation), pursuant to audit authority granted in Chapter 2014-254, Laws of Florida and the Foundation's bylaws.

The purpose of this audit was to determine if the Foundation was operating in compliance with applicable laws, rules, bylaws, and best practices. The audit period was October 1, 2015 through September 30, 2016. The audit included examinations of various governance and accounting documents in effect throughout the audit period.

We extend our thanks to the Foundation's board of directors for their cooperation and assistance during the course of this audit.

Sincerely,

Robin Barclay
Chief Audit Officer

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EXECUTIVE SUMMARY

The audit period covered the second fiscal year since the inception of the Foundation. As such, there was increased activity in the areas of governance, policy development, and administrative development including:

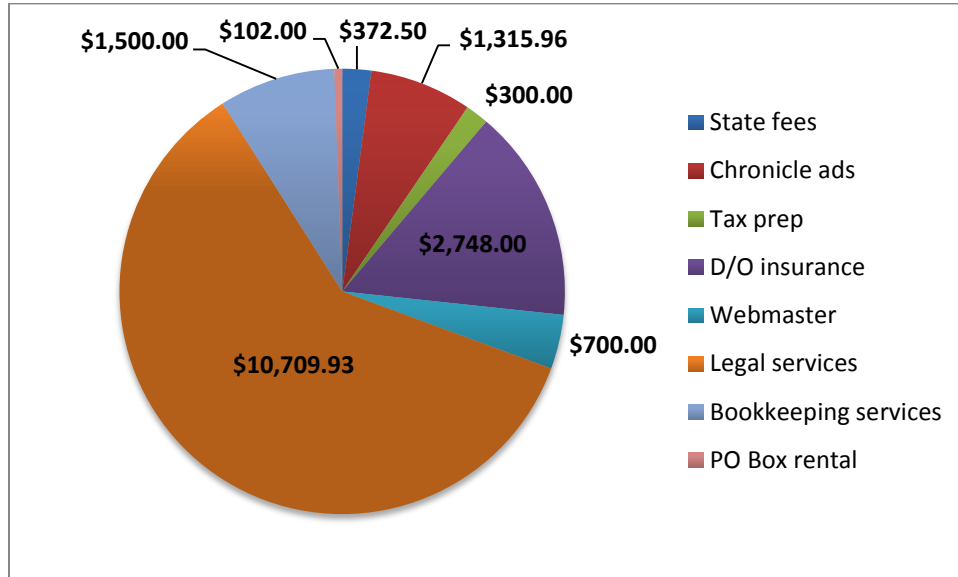
- An active website (www.ccccf.us) was created which has meeting minutes, bylaws, and other governance and oversight documents posted for public access;
- Formal written policies and procedures for submitting payments to vendors and service entities was created and approved (*Fulfilling Financial Obligations* policy);
- A formal written investment policy for governing the investment practices of the Foundation (*Investment Policy Statement*) was created and approved;
- A policy for Directors & Officers bonding insurance was obtained;
- The grant applications process was formalized and posted on the Foundation's website for nonprofit organizations to apply for grant support;
- A formal written *Conflict of Interest Policy* and a *Conflict of Interest Disclosure Form* were created and were approved after the audit period, on October 27, 2016; and
- The board of directors participated in training related to compliance requirements for public records, the Sunshine Law, code of ethics, and conflicts of interest.

Standing committees (Personnel Committee, Audit Committee, and Investment Committee) were not yet populated as of September 30, 2016. Three out of four ad-hoc committees (By-laws Committee, Grants Committee, and Finance Committee) held meetings during the fiscal year. The Communication Committee did not have any meetings during the fiscal year. Meetings were properly noticed and minutes were recorded and approved.

No funds were expended for charitable purposes during the fiscal year. The bylaws indicated that all funds received from the HCA transaction must be held for a period of 24 months from the date of receipt, without expending any of the funds other than for the payment of administrative expenses.

During the fiscal year, the total amount of funds received from two CCHB interest bearing accounts (an indemnity escrow account, JP Morgan) and a pension escrow account, (Fifth Third Bank) was \$102,416.54. Administrative expenses totaled \$17,748.39. See chart below.

FY 2015-16 Administrative Expenses



BACKGROUND

The Citrus County Hospital Board (CCHB), an independent special district of the State of Florida, entered into a 50-year long-term lease agreement with Hospital Corporation of America (HCA) on October 31, 2014 to take over operations of Citrus Memorial Hospital. This transaction agreement made proceeds available to establish the Citrus County Community Charitable Foundation, Inc.

The Foundation is a Florida not-for-profit corporation, and was created in accordance with Chapter 617 of the Florida Statutes, and Laws of Florida, Chapter 2014-254. The mission of the Foundation was to award grants to groups and organizations that establish programs, research, or initiatives that promote the health or satisfy the medical needs of the residents of Citrus County.

The Foundation is governed by an eleven-member board of directors comprised of elected and appointed representatives from various segments of the community. The directors receive no compensation, and board members are volunteers. The Foundation has no employees, but does engage contracted service providers for professional bookkeeping and legal services.

SCOPE, OBJECTIVES & METHODOLOGY

Scope

The audit period was October 1, 2015 through September 30, 2016. The audit included examinations of various governance and accounting documents in effect throughout the audit period.

Objectives

The objectives of this audit were to:

1. Determine if the Foundation was operating in compliance with applicable laws, rules, bylaws, and best practices.

Methodology

To meet the objectives of the audit, procedures included, but were not limited to, the following:

- Reviewed meeting minutes
- Reviewed bylaws
- Performed record searches on the Florida Department of State, Division of Corporations website
- Reviewed adopted written policies and procedures
- Reviewed bank statements and transactions
- Reviewed professional service agreements
- Reviewed documents posted on the Foundation's active website

TESTING & RESULTS

IAD concluded that the Foundation was operating in compliance with applicable laws, rules, bylaws, and best practices. The IAD also recognizes and commends the progress made by the Foundation since the previous audit in strengthening governance, transparency, and accountability.

We wish to express our appreciation to the Foundation's board of directors, especially the Treasurer, for continued cooperation and provision of documents during the audit.