HALIFAX PENSION PLAN
(Administered by Halifax Staffing, Inc., a component unit of Halifax Hospital Medical Center)

FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULES, AND INDEPENDENT AUDITORS' REPORT

YEAR ENDED SEPTEMBER 30, 2016

Halifax Pension Plan

(Administered by Halifax Staffing, Inc., a component unit of Halifax Hospital Medical Center)

Financial Statements as of and for the Year Ended September 30, 2016, Supplemental Schedules as of September 30, 2016, and Independent Auditors' Reports

HALIFAX PENSION PLAN
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James Moore
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners, Halifax Pension Plan:

Report on the Financial Statements

We have audited the accompanying financial statements of the Halifax Pension Plan (the "Plan"), which comprise the statement of fiduciary net position as of September 30, 2016, the statement of changes in fiduciary net position for the year ended September 30, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Halifax Pension Plan as of September 30, 2016, and the changes in fiduciary net 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 required supplementary schedules, as listed in the table of contents, 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 principally of inquiries of Halifax Pension Plan's management and independent actuary regarding the methods of measurement and presentation of the required supplementary information. 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016, on our consideration of the Plan'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 the Plan's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
December 12, 2016

HALIFAX PENSION PLAN
(Administered by Halifax Staffing, Inc., a component unit of Halifax Hospital Medical Center)

STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2016
(In thousands)

ASSETS:		
Money market funds	$	4,591
Mutual funds — at fair value		235,553
Total assets		240,144
NET POSITION RESTRICTED FOR PENSION BENEFITS		
(a schedule of funding progress is presented on page 13)	$	240,144

See notes to financial statements.

HALIFAX PENSION PLAN
(Administered by Halifax Staffing, Inc., a component unit of Halifax Hospital Medical Center)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(In thousands)

ADDITIONS:	
Investment results:	
Gain on fair value of investments	$ 16,019
Interest and dividends	4,873
Total investment gain	20,892
Employers' contributions	21,236
Total additions	42,128
DEDUCTIONS:	
Administrative expenses	77
Benefits paid directly to participants	16,818
Total deductions	16,895
NET INCREASE IN FIDUCIARY NET POSITION	25,233
NET POSITION RESTRICTED FOR PENSION BENEFITS:	
Beginning of year	214,911
End of year	$ 240,144

See notes to financial statements.

1. DESCRIPTION OF THE PLAN

General — The Halifax Pension Plan (the "Plan") is a multiple-employer, noncontributory defined benefit pension plan that covers certain employees of the two participating employers: Halifax Staffing, Inc. ("Staffing") and Halifax Hospice, Inc. ("Hospice") (the "Plan Sponsors," collectively). Staffing is the Plan Sponsor and Administrator, and both Staffing and Hospice are component units of the Halifax Hospital Medical Center (the "Medical Center") in Daytona Beach, FL. The Plan is treated as a single employer plan for the purpose of financial reporting. Plan provisions are established and may be amended by the Board of Directors of Staffing, the Plan's sponsor. The Board of Directors has seven members who are appointed by the Board of Commissioners of the Medical Center.

The Plan covers all eligible employees who have attained the age of 21 and have more than one year of service. Eligibility for the Plan was closed to all employees whose initial hire date or rehire date was on or after October 1, 2000. Staffing assumed the unfunded portion of the past service liability for employees who participated and were not vested in the prior pension benefit programs.

Pension plan benefits are based on the number of years of service and the employee's highest three-year average annual compensation. Effective October 1, 2013, the Plan was frozen and as such, participants of the Plan will no longer accrue credit for years of service and, upon eligibility, calculation of benefits will be made based on compensation information through October 1, 2013. Participants may elect to receive pension plan benefits as a monthly annuity or as one lump-sum payment for an amount equal to the present value of future benefits, as calculated by an actuary.

The Medical Center is obligated by contractual agreement to fund contributions on behalf of Staffing. The contribution rate is determined on an actuarial basis. During the year ending September 30, 2016, $21.2 million was contributed to the Plan. The Medical Center's proportionate share of the contribution, expense and net pension liability is 94.85% and Hospice's proportionate share is 5.15% for fiscal years 2016 and 2015. The proportionate share calculation is based on the present value of future salaries for active employees of each Staffing and Hospice.

Pension Benefits — Employees with five or more years of service (including service under the Florida Retirement System ("FRS") for those persons employed by Staffing and Hospice at their conversion dates) are entitled to annual pension benefits beginning at normal retirement age or completion of 30 benefit years equal to 1.6% of their highest three-year average annual compensation for each year of service, as defined in the Plan document.

1. DESCRIPTION OF THE PLAN (CONTINUED)

The Plan provides for improved benefits for persons retiring at a date later than the normal retirement date. Based on the participant's attained age or benefit years at the actual termination date, the 1.6% shall be replaced as follows:

Age 63 or 31 benefit years	1.63 %
Age 64 or 32 benefit years	1.65 %
Age 65 or later, or 33 or more benefit years	1.68 %

The Plan permits early retirement upon completion of ten years of service with a benefit reduction of 5/12% for each month that the benefit commencement date precedes the normal retirement date. Benefits are reduced by any vested benefit payable from the FRS. Benefits are increased annually by 3% as a cost of living adjustment.

***Disability Benefits* —** Active employees with 10 or more years of service who become permanently and totally disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled.

***Death Benefits* —** In the event of an employee's death, the survivor portion of the joint and survivor annuity, actuarially reduced to reflect payment prior to the employee's normal retirement date, is payable to the employee's spouse, or other designated financial dependent, in accordance with the Plan document.

***Plan Membership* —** Membership of the Plan consisted of the following at October 1, 2015, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	906
Terminated vested participants	566
Active participants	569
Total	2,041

Membership in the Plan is closed to all employees of Staffing and Hospice whose initial hire date or rehire date is on or after October 1, 2000. All participants are vested in the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting* —** The Plan's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and accounted for in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25.* Contributions are recognized when due and the Medical Center and Hospice have made formal commitments to provide the contributions. Benefit payments are recognized when due and payable to the Plan participants in accordance with the terms of the Plan.

***Use of Estimates* —** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Policy — The investments of the Plan are governed by investment guidelines adopted by the Board of Directors for the Plan Sponsor. Authorized investments of the Plan include money market accounts, fixed income bonds, equity funds, and common stocks. Assets are allocated based on targets of 50-70% equities and 30-50% fixed income.

Investment Valuation and Income Recognition — Investments are stated at fair value based on quoted market prices as determined by Wells Fargo Bank N.A. Purchases and sales of securities are reflected on a trade-date basis. Changes in the current value of investments and gains and losses on disposal of investments are reported in the statements of changes in Plan net assets as the net appreciation or depreciation in current value of investments. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Risks and Uncertainties — The Plan utilizes various investment securities including U.S. government securities, corporate debt instruments, mutual funds, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Expenses — Administrative expenses of the Plan are paid by the Plan. However, certain administrative expenses such as fees for investment and custodial services, legal, accounting, and actuarial services are paid by the Plan Sponsor or the Medical Center, as provided in the Plan document.

New Accounting Pronouncements — On October 1, 2015, the Plan adopted GASB Statement No. 72 – *Fair Value Measurement and Application.* This statement defines fair value and how it should be measured, which assets and liabilities should be measured at fair value and what information should be disclosed in the notes to the financial statements. The adoption of this statement resulted in expanded disclosures in the financial statements.

3. DEPOSITS AND INVESTMENT RISK

GASB Statement No. 40, *Deposit and Investment Risk Disclosures* (“GASB 40”), requires disclosures related to investment and deposit risks, including risks related to credit risk, consisting of custodial credit risk and concentrations of credit risk, interest rate risk and foreign currency risk.

Investment Risk — The Plan’s investment policy provides guidelines for the types of investments that can be acquired in order to provide maximum diversity and reduce risk. Specific asset classes are limited to a percentage of the total investment portfolio. Specific investment strategies are influenced by relative market yields and the cash needs of the Plan. The Plan may be invested in, but not limited to:

- Local government investment pool;
- U.S. government securities and repurchase agreements;
- U.S. government agency obligations;

3. DEPOSITS AND INVESTMENT RISK (CONTINUED)

- Domestic Bank Certificates of Deposit provided that any such investments are in Federal Deposit Insurance Corporation ("FDIC") guaranteed accounts or deposits collateralized by U.S. government securities or obligations;

- Repurchase agreements with reputable financial institutions, which are fully secured by U.S. government obligations; and

- Commercial Paper and Stocks; limited to issuers with an A rating or better.

All investment decisions are made based on reasonable research as to credit quality, liquidity and counterparty risk prior to the investment. An investment advisory firm is engaged to manage the investment of all funds and performance of the portfolio is reported to Staffing management quarterly.

Credit Risk — GASB 40 requires the disclosure of the credit quality of investments in debt securities, other than obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government. The Plan's investment policy provides guidelines for its investment managers which restricts investments to debt securities with an "A" rating or better. At September 30, 2016 the Plan's investment in debt securities was limited to one fixed income mutual fund with a credit rating of Aaa-mf from Moody's Investor Services.

Custodial Credit Risk — The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan will not be able to recover its deposits. The Plan's deposits are covered by federal depository insurance, collateralized with U.S. Treasury Securities and Federal Agency Securities, or guaranteed 100% by the State of Florida and collateralized through the State of Florida Bureau of Collateralization. At September 30, 2016, the Plan's investments were not exposed to custodial credit risk.

The Plan's investment policies have established asset allocation limits to reduce concentration of credit risk. Guidelines are provided to cash investment managers and monitored by management for compliance. At September 30, 2016, the Plan did not have investments in any one issuer that represents 5% or more of the Plan's fiduciary net position.

Interest Rate Risk — Changes in interest rates can adversely affect the fair value of an investment. Staffing manages its exposure to interest rate risk by limiting investment maturities and diversifying its investment portfolios. At September 30, 2016 all of the Plan's investments had maturity dates within one year.

4. FUNDING POLICY

The Plan is funded through contributions from the Medical Center and Hospice, as calculated by an actuary. Total contributions for the Plan year ended September 30, 2016 are equal to the minimum recommended contribution based on the October 1, 2015 actuarial valuation.

Although they have not expressed any intention to do so, the Plan Sponsor has the right under the Plan to discontinue their contributions at any time and to terminate the Plan. In the event of a Plan termination, and dependent upon the funded status of the Plan, assets of the Plan may be allocated among participants and beneficiaries on the basis of the present value of accrued benefits. However, the net assets of the Plan may not be available on a pro rata basis to provide participants' benefits. Whether

4. FUNDING POLICY (CONTINUED)

a particular participant's accumulated Plan benefits will be paid depends on both the priority of those benefits and the value of the then existing assets.

5. NET PENSION LIABILITY

The net pension liability of the Plan is the total pension liability offset by the Plan's fiduciary net position. The components of net pension liability at September 30, 2016 for both the Medical Center and Hospice are as follows (in thousands):

	Medical Center	Hospice	Total
Total pension liability	$ 329,130	$ 17,871	$ 347,000
Fiduciary net position	(227,777)	(12,367)	(240,144)
Net pension liability	$ 101,353	$ 5,504	$ 106,856

As of September 30, 2016, the fiduciary net position as a percentage of the total pension liability was 69.2%.

Significant actuarial methods and assumptions of the plan are presented in the following table:

Actuarial Methods and Assumptions

Mortality table	RP-2014 Mortality Table (Blue-Collar), Scale MP-2014
Interest rate	6.75% annually, compounded
Pay increase	NA
Cost of living adjustment	3%
Measurement date	September 30, 2016
Valuation date	October 1, 2015
Experience study dates	October 1, 2011 - September 30, 2014

The discount rate applied in the measurement of the total pension liability is 6.75% and the long-term expected rate of return on Plan investments is 6.75%. The discount rate and rate of return are based on the long-term rate of return on Plan investments expected to finance the payment of benefits into the future. Net pension liability at September 30, 2016 using a discount rate of 5.75% would have been $150.4 million, and using a discount rate of 7.75% would have been $70.8 million.

It is assumed that 40% of participants will elect a one-time lump sum benefit payment upon termination, and 15% of participants will elect a one-time lump sum benefit payment upon retirement. It is also assumed that contributions from the Medical Center and Hospice will continue into the future and that the Plan will eventually be fully funded.

6. INVESTMENTS

The Plan measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At September 30, 2016, all of the Plan's investments were considered Level 1.

The Plan's investments are held by a bank-administered trust fund. At September 30, 2016, the Plan's investments (including investments bought, sold, as well as held during the year) had a gain in fair value as determined by quoted market prices as follows (in thousands):

Money market and mutual funds	$ 16,019
Gain on fair value of investments	$ 16,019

The annual money-weighted rate of return on Plan investments, net of Plan expenses, was 9.31% for the year ended September 30, 2016. This percentage is a measure of investment performance, net of Plan investment expenses, and adjusted for changes in amounts contributed and invested.

7. EXEMPT PARTY-IN-INTEREST

Certain Plan investments are shares of mutual funds of the investment managers, as defined by the Plan, therefore, these transactions qualify as exempt party-in-interest transactions.

8. FEDERAL INCOME TAX STATUS

The Plan is considered a governmental plan exempt from certain Employee Retirement Income Security Act ("ERISA") requirements based upon certain rulings received from the Internal Revenue Service ("IRS"). The Medical Center requested and received during 1998 and 1999 a series of rulings from the IRS with respect to the status of the Medical Center as a political subdivision of the state of Florida and the status of Staffing, Hospice, and other entities as instrumentalities of the Medical Center.

The Plan has received a determination letter from the IRS dated June 16, 2004, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

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REQUIRED SUPPLEMENTAL SCHEDULES

HALIFAX PENSION PLAN
(Administered by Halifax Staffing, Inc., a component unit of Halifax Hospital Medical Center)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (UNAUDITED)
(Dollars in thousands)

Measurement Date	September 30, 2016	September 30, 2015	September 30, 2014
Beginning Net Pension Liability	$ 133,978	$ 112,819	$ 123,869
Beginning Total Pension Liability	$ 348,889	$ 337,835	$ 331,068
Interest cost	22,991	22,294	21,846
Benefit payments	(16,818)	(15,356)	(15,079)
Changes of assumptions	(11,580)	2,713	0
Difference between expected and actual experience	3,518	1,403	0
Ending Total Pension Liability	347,000	348,889	337,835
Beginning Fiduciary Net Position	(214,911)	(225,016)	(207,198)
Contributions - employer	(21,236)	(15,218)	(20,000)
Net investment loss (income)	(20,892)	9,853	(12,955)
Benefit payments	16,818	15,356	15,078
Administrative expenses	77	114	59
Ending Fiduciary Net Position	(240,144)	(214,911)	(225,016)
Ending Net Pension Liability	$ 106,856	$ 133,978	$ 112,819

HALIFAX PENSION PLAN
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SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
(Dollars in thousands)

Actuarial Valuation Date	October 1, 2015	October 1, 2014	October 1, 2013
Total Pension Liability (a)	$ 347,000	$ 348,889	$ 337,835
Plan Fiduciary Net Position (b)	$ 240,144	$ 214,911	$ 225,016
Net Pension Liability (a-b)	$ 106,856	$ 133,978	$ 112,819
Covered Payroll (c)	$ 42,387	$ 43,613	$ 46,960
Fiduciary Net Position as a % of Total Pension Liability (b/a)	69%	62%	67%
Net Pension Liability as a % of Covered Payroll ((a-b)/c))	252%	307%	240%

Source: BPAS Actuarial & Pension Services

Fiscal Year Ended September 30,	**2016**	**2015**	**2014**
Actuarially determined contribution	$ 21,061	$ 15,110	$ 17,278
Contribution recognized by the Plan	21,236	15,218	20,000
Annual contribution excess	175	108	2,722
Medical Center proportional share:			
Actuarially determined contribution	19,976	14,332	16,388
Contribution recognized by the Plan	20,142	14,434	18,970
Hospice proportional share:			
Actuarially determined contribution	1,085	778	890
Contribution recognized by the Plan	1,094	784	1,030
Covered payroll	42,387	43,613	46,960
Contribution as a % of covered payroll	50%	35%	43%

Source: BPAS Acutarial & Pension Services

HALIFAX PENSION PLAN
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SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN (UNAUDITED)
(Dollars in thousands)

Asset Valuation Date	Annual Money-Weighted Rate of Return
September 30, 2014	7.17%
September 30, 2015	-4.33%
September 30, 2016	9.31%

* * * * * *

NOTES TO REQUIRED SCHEDULES

The information presented in the required supplemental schedules was determined as part of the actuarial valuations at the dates indicated.

Additional information as of the latest actuarial valuation follows:

Valuation date	October 1, 2015
Actuarial cost method	Traditional Unit Credit
Amortization method	10 year, closed
Remaining amortization period	Varies
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases	NA
Cost-of-living adjustments	3.00%
Mortality	RP-2014 Mortality Table (Blue-Collar), Scale MP-2014

Assumed retirement age	Age	Probability
	Prior to 62, with 30 years of service	10%
	62	25%
	63	20%
	64	20%
	65	33%
	66	50%
	67	20%
	68	20%
	69	20%
	70	100%

These actuarial assumptions are based on the presumption that the Plan will continue. Should the Plan terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits. Also, changes in actuarial assumptions and methods may affect the amounts reported and information presented in the required supplemental schedules.

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OTHER REPORT

James Moore
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' 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 Commissioners,
Halifax Pension Plan:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of Halifax Pension Plan (the "Plan"), which comprise the statement of fiduciary net position as of September 30, 2016, the statement of changes in fiduciary net position for the year ended September 30, 2016, and the related notes to the financial statements and have issued our report thereon dated December 12, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan'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 the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan'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.

James Moore & Co., P.L.

Daytona Beach, Florida
December 12, 2016