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August 29, 2016

Board of Directors
Paul Phillippe Resource Center, Inc.
401 West Walnut St.
Frankfort, IN 46041

We have reviewed the audit report prepared by Cullar & Associates, PC, for the period January 1, 2015 to December 31, 2015. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Paul Phillippe Resource Center, Inc., as of December 31, 2015, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

FINANCIAL REPORT

PAUL PHILLIPPE RESOURCE CENTER, INC.

December 31, 2015 and 2014

CONTENTS

CULLAR & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Paul Phillippe Resource Center, Inc.
Frankfort, Indiana

We have audited the accompanying financial statements of Paul Phillippe Resource Center, Inc., which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2015 and 2014, and the related statements of revenues, expenses, and changes in net assets – modified cash basis, and statements of functional expenses – modified cash basis for the years then ended, and the related notes to 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 the modified cash basis of accounting as described in Note 1 to financial statements; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Paul Phillippe Resource Center, Inc. as of December 31, 2015 and 2014, and its revenues, expenses, and changes in net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 1 to financial statements.

Basis of Accounting

We draw attention to Note 1 to financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Cullen & Associates, P.C.

South Bend, Indiana
June 21, 2016

PAUL PHILLIPPE RESOURCE CENTER, INC.
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
December 31, 2015 and 2014

	2015	2014
Assets:		
Current Assets:		
Cash and cash equivalents	$ 49,006	$ 61,043
Long-Term Assets:		
Beneficial interest in assets held by others	354,740	365,421
Property and equipment	414,336	382,217
	769,076	747,638
Total assets	$ 818,082	$ 808,681
Liabilities and Net Assets:		
Current Liabilities:		
Payroll withholdings	$ 2,590	$ 2,780
Deposits held	800	700
Total current liabilities	3,390	3,480
Net Assets:		
Unrestricted	459,952	428,858
Temporarily restricted	354,740	376,343
Total net assets	814,692	805,201
Total liabilities and net assets	$ 818,082	$ 808,681

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

PAUL PHILLIPPE RESOURCE CENTER, INC.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
Revenues, Gains, and Other Support:						
Transportation grants	$ 397,470	$ -	$ 397,470	$ 291,319	$ -	$ 291,319
Other grants and contributions	13,054	8,956	22,010	21,660	433,826	455,486
United Way of Clinton County	39,983	-	39,983	39,924	-	39,924
Service fees	128,380	-	128,380	140,430	-	140,430
Special events	7,157	-	7,157	4,814	-	4,814
Trip income	7,739	-	7,739	-	-	-
Advertising	750	-	750	4,372	-	4,372
Rental income	5,953	-	5,953	4,730	-	4,730
Gain on disposition of equipment	2,662	-	2,662	-	-	-
Change in beneficial interest in assets held by others	-	(10,681)	(10,681)	-	-	-
Other	6,105	-	6,105	4,381	-	4,381
Net assets released from restrictions	19,878	(19,878)	-	57,483	(57,483)	-
Total revenues, gains, and other support	629,131	(21,603)	607,528	569,113	376,343	945,456
Expenses:						
Transportation	423,135	-	423,135	415,030	-	415,030
Senior Resource Center	61,211	-	61,211	48,424	-	48,424
Total program service expenses	484,346	-	484,346	463,454	-	463,454
Management and general	79,148	-	79,148	90,162	-	90,162
Fund raising	34,543	-	34,543	37,812	-	37,812
Total expenses	598,037	-	598,037	591,428	-	591,428
Change in net assets	31,094	(21,603)	9,491	(22,315)	376,343	354,028
Net assets, beginning of year	428,858	376,343	805,201	451,173	-	451,173
Net assets, end of year	$ 459,952	$ 354,740	$ 814,692	$ 428,858	$ 376,343	$ 805,201

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

PAUL PHILLIPPE RESOURCE CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES -MODIFIED CASH BASIS
Years Ended December 31, 2015 and 2014

	2015					2014				
	Transportation	Senior Resource Center	Management and General	Fund Raising	Totals	Transportation	Senior Resource Center	Management and General	Fund Raising	Totals
Personnel	$ 243,123	$ 42,070	$ 57,305	$ 25,503	$ 368,001	$ 221,938	$ 37,258	$ 65,575	$ 29,557	$ 354,328
Vehicle operating expenses	47,667	2,491	-	-	50,158	57,787	2,375	-	-	60,162
Insurance	25,134	2,240	3,051	1,357	31,782	30,482	1,196	2,105	949	34,732
Occupancy	23,249	4,023	5,479	2,439	35,190	21,977	3,689	6,493	2,927	35,086
Supplies and activities	896	613	2,399	3,817	7,725	247	218	2,145	2,437	5,047
Postage	359	62	85	38	544	237	40	70	32	379
Communications	8,160	526	717	320	9,723	6,033	91	159	72	6,355
Professional fees	-	-	7,100	-	7,100	-	-	8,900	-	8,900
Advertising	-	99	432	192	723	(800)	-	406	183	(211)
Dues and subscriptions	195	125	220	-	540	440	530	90	-	1,060
Conferences and training	5,116	-	-	-	5,116	7,026	-	-	-	7,026
Travel	1,392	192	-	-	1,584	1,386	112	-	-	1,498
Trip expenses	-	6,965	-	-	6,965	-	-	-	-	-
Depreciation	67,742	1,445	1,968	877	72,032	67,443	2,086	3,671	1,655	74,855
Other	102	360	392	-	854	834	829	548	-	2,211
Totals	$ 423,135	$ 61,211	$ 79,148	$ 34,543	$ 598,037	$ 415,030	$ 48,424	$ 90,162	$ 37,812	$ 591,428

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

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Paul Phillippe Resource Center, Inc. (the "Organization") is an Indiana nonprofit corporation organized to fulfill the needs of Clinton County, Indiana residents over age 55. The Organization provides public transportation services and maintains a resource center that serves older adults. The Organization's operations are supported primarily by grants from governmental agencies and other nonprofit organizations and contributions from the public.

Significant Accounting Policies:

Basis of accounting:

The Organization's accounts are maintained, and these statements are prepared, on a modified cash basis of accounting, under which only revenues collected, costs and expenses paid, assets and net assets arising from cash transactions, and a provision for depreciation are recognized. Consequently, accounts receivable, prepaid expenses, deferred revenues, accounts payable, and accrued liabilities, which may be material, are not reflected, and the financial statements are not intended to present financial position and activities in conformity with accounting principles generally accepted in the United States of America.

Use of estimates:

The process of preparing financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts. Significant estimates used in the accompanying financial statements include:

- Revenue earned from cost-reimbursement awards. The majority of the Organization's revenue is earned on such awards from governmental agencies that are governed by federal and state cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The valuation of the beneficial interest in assets held by others, which is based on the value of the underlying assets in the trust, as provided by the trustee, and which approximates the present value of expected future distributions.
- The allocations of costs among programs and supporting services, which are based on time and facility usage studies and other methods of cost allocation.

Net asset classes:

The Organization reports its activities and financial position by the following classes of net assets:

- *Unrestricted net assets* are those currently available for use by the Organization.
- *Temporarily restricted net assets* are those received with donor stipulations that

limit the use of the donated assets. When stipulated time restrictions expire or purpose restrictions are accomplished, these net assets are reclassified to unrestricted net assets and reported in the statements of revenues, expenses, and changes in net assets – modified cash basis as net assets released from restrictions.

Cash and cash equivalents:

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Property and equipment:

Property and equipment is stated at cost, if acquired, or at fair value at the date of receipt, if donated, less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Building and improvements	10-40 years
Vehicles	5-7 years
Office equipment	5-7 years
Furniture and fixtures	5-12 years

All of the Organization's transportation program vehicles have been purchased with governmental grant funds. Title to these vehicles is held in the funding source's name for the first five years after acquisition, during which the vehicles must be used in the program for which they were purchased or in other future authorized programs. Disposition of these vehicles, as well as the ownership of any sale proceeds, during this time is subject to funding source and other regulatory directives. Because management expects such vehicles to be used in accordance with the funding source's directives, the cost of the vehicles is recorded as an asset when they are acquired.

Beneficial interest in assets held by others:

The Organization recognizes its beneficial rights in assets held by others unless the donor has granted the recipient organization variance power. However, if the Organization is both the donor and the beneficiary of the assets, those rights are recognized even if the recipient organization has been granted variance power.

The beneficial interest in assets held in trust discussed in Note 2 is stated at fair value, based on the fair value of the assets in the trust, as provided by the trustee and which approximates the present value of expected future distributions. Changes in the value of the beneficial interest are included in revenues in the statements of revenues, expenses, and changes in net assets – modified cash basis.

Gifts and grants:

The Organization reports gifts and grants of cash and other assets as revenue when received, and considers such gifts to be available for unrestricted use unless specifically restricted by donor. When a donor restriction expires (that is, when a purpose restriction is accomplished or a time restriction expires), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of revenues, expenses, and changes in net assets – modified cash basis as net assets released from restrictions.

Contributions of property and equipment are recorded at fair value at the date of contribution, and are reported as increases in unrestricted net assets unless the donor has restricted the contributed asset to a specific purpose. Assets contributed with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent donor stipulations regarding how long such donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Fees for services:

Fees for services are recognized as revenue when collected.

Income taxes:

The Organization is generally exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Indiana Code. Consequently, the accompanying financial statements generally contain no provision for income taxes. The Organization is classified by the Internal Revenue Service as other than a private foundation under Internal Revenue Code Section 509(a)(1).

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Examples of tax positions include the tax-exempt status of the Organization and positions related to the potential sources of unrelated business taxable income. Management has not identified any uncertain tax positions taken or expected to be taken in a tax return, and there are no unrecognized tax benefits recorded as liabilities in the accompanying financial statements. The Organization classifies interest and penalties, if any, associated with uncertain tax positions as a component of income tax expense. There was no accrued interest or any penalties related to unrecognized tax benefits at either December 31, 2015 or 2014, or any interest or penalties expense related to unrecognized tax benefits for the years then ended. The Organization is no longer subject to examination by the Internal Revenue Service or the State of Indiana for years prior to 2012.

NOTE 2. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The beneficial interest in assets held by others with a value of $354,740 and $365,421 at December 31, 2015 and 2014, respectively, consists of an interest in a trust of which the Organization is the sole beneficiary. There are no restrictions on the use of income from the trust. Principal may be distributed to the Organization upon showing of good cause and approval of the court of jurisdiction.

The interest in the trust was received in 2014 with a value of $420,421 at that time, which is included in other grants and contributions revenue in the accompanying 2014 statements of revenues, expenses, and changes in net assets – modified cash basis. Distributions of none and $55,000 were received from the trust during the years ended December 31, 2015 or 2014, respectively. The change in the value of the trust of $(10,681) and none for the years ended December 31, 2015 and 2014, respectively, is reported in revenues the accompanying statements of revenues, expenditures, and changes in net assets – modified cash basis.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2015 and 2014, respectively:

	2015	2014
Building and improvements	$ 297,221	$ 288,621
Land	30,410	30,410
Vehicles	460,484	411,730
Office equipment	127,253	127,253
Furniture and fixtures	25,137	23,134
	940,505	881,148
Less accumulated depreciation	(526,169)	(498,931)
Net property and equipment	$ 414,336	$ 382,217

NOTE 4. NET ASSETS INFORMATION

Temporarily restricted net assets are available for the following periods or purposes at December 31, 2015 and 2014, respectively:

	2015	2014
Time restricted –		
Beneficial interest in assets held in trust (see Note 2)	$ 354,740	$ 365,421
Purpose restricted –		
Transportation operating expenses	-	10,922
Total temporarily restricted net assets	$ 354,740	$ 376,343

Net assets were released from restrictions for the years ended December 31, 2015 and 2014, respectively, by satisfying purpose restrictions or by the passage of time, as follows:

	2015	2014
Transportation operating expenses	$ 18,258	$ 39,607
IT upgrades	320	17,876
Building improvements	1,300	-
Total net assets released from restrictions	$ 19,878	$ 57,483

NOTE 5. COMMUNITY FOUNDATION ENDOWMENT

The Organization is the beneficiary of an endowment fund held by Community Foundation of Howard County, Inc. ("Community Foundation") to which others have contributed. The amount of income distributed is based upon Community Foundation's current spending policy and the amount of funds designated for the Organization. Because the donations were from third-party donors who granted Community Foundation granted variance power over the assets, such assets are not reported in the accompanying statements of assets, liabilities, and net assets – modified cash basis. The value of the fund at December 31, 2015 and 2014 is $6,807 and $6,935, respectively. The Organization received distributions from the fund of $248 and $228 for the years ended December 31, 2015 and 2014, respectively, which are included in contributions revenue in accompanying statements of revenues, expenses, and changes in net assets – modified cash basis.

NOTE 6. FAIR VALUE MEASUREMENTS

U.S. generally accepted accounting principles defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in an entity's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Such principles establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value of assets measured on a recurring basis at December 31, 2015 and 2014, respectively is as follows:

	Fair Value	Level 1	Level 2	Level 3
Beneficial interest in assets held by others:				
At December 31, 2015	$ 354,740	$ -	$ -	$ 354,740
At December 31, 2014	$ 365,421	$ -	$ -	$ 365,421

Fair value for the beneficial interest in assets held by others (the trust discussed in Note 2) is based on the fair value of the assets held by the trust, as provided by the trustee and which approximates the present value of expected future distributions.

The following is a reconciliation of beginning and ending balance of the fair value of assets measured by Level 3 inputs for the years ended December 31, 2015 and 2014, respectively:

	2015	2014
Beneficial interest in assets held by others:		
Beginning fair value	$ 365,421	$ -
Contribution of assets	-	420,421
Distributions	-	(55,000)
Change in value	(10,681)	-
Ending fair value	$ 354,740	$ 365,421

NOTE 7. CONCENTRATIONS

The Organization's activities and contributors are concentrated in Clinton County, Indiana. Accordingly, its gifts, grants, and other sources of support and revenue may be affected by conditions in that area.

For the years ended December 31, 2015 and 2014, approximately 60% and 28%, respectively, of total revenues were from Clinton County for programs funded by the Indiana Department of Transportation.

NOTE 8. SUBSEQUENT EVENTS INFORMATION

The date through which events occurring subsequent to December 31, 2015 have been evaluated for possible adjustment to the financial statements or disclosure is June 21, 2016, the date on which the financial statements were available to be issued. Management identified no such events.

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CERTIFIED PUBLIC ACCOUNTANTS

COMMUNICATION OF AUDIT MATTERS TO THOSE CHARGED WITH GOVERNANCE

To the Board of Directors
Paul Phillippe Resource Center, Inc.
Frankfort, Indiana

We have audited the financial statements of Paul Phillippe Resource Center, Inc. (the “Organization”) for the year ended December 31, 2015, and have issued our report thereon dated June 21, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have previously communicated such information in our letter to you dated December 8, 2015. 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 Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Organization 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. The most sensitive estimates affecting the financial statements were:

- Revenue earned from cost-reimbursement awards, which are governed by federal and State cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The valuation of the beneficial interest in assets held in trust, which is based on the value of the underlying assets in the trust, as provided by the trustee, and which approximates the present value of expected future distributions.
- The allocation of expenses among programs and supporting services, which were based primarily on estimates of employee time spent on functions and on space used by function.

We evaluated the key factors and assumptions used to develop the above in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

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.

The following material misstatement detected as a result of audit procedures was corrected by management:

- Overstatement of beneficial interest in assets held in by others by approximately $10,700.

The following immaterial misstatement detected as a result of audit procedures was corrected by management:

- Understatement of depreciation expense by approximately $700.

Management has determined that the effects of the following uncorrected misstatement detected as a result of our audit procedures are immaterial to the financial statements as a whole:

- Understatement of beneficial interest in assets held by others by approximately $1,100 for not recording the Organization's share of its Community Foundation fund as an asset.

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 June 21, 2016.

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 Organization'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 Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Paul Phillippe Resource Center, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Cullen & Associates, P.C.

South Bend, Indiana
June 21, 2016

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CULLAR & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS

AUDITORS' REPORT ON INTERNAL CONTROL

To the Board of Directors and Management
Paul Phillippe Resource Center, Inc.
Frankfort, Indiana

In planning and performing our audit of the financial statements of Paul Phillippe Resource Center, Inc. (the "Organization") as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in the Organization's internal control to be a material weakness:

Preparation of Financial Statements and Material Adjustments

As part of our audit, we proposed a material adjusting journal entry regarding the Organization's beneficial interest in a trust, and we drafted the Organization's financial statements and related notes, which were reviewed and approved by management. This service is necessary, in our opinion, because management would be unable to prepare the financial statements and related disclosures completely in accordance with U.S. generally accepted accounting principles because of limited resources. Although this service has historically been part of the audit function, we are required to communicate this as a material weakness because, as the Organization's independent auditor, we are not part of its internal control.

This communication is intended solely for the information and use of the Board of Directors, management, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Cullen & Associates, P.C.

South Bend, Indiana
June 21, 2016