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November 6, 2017

Board of Directors
Community Health Intervention and Education Foundation, Inc.
109 South Jefferson Street
Rockville, IN 47872

We have reviewed the audit report prepared by Edward Opperman, CPA, for the period October 1, 2014 to September 30, 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 Community Health Intervention and Education Foundation, Inc., as of September 30, 2015, and the results of its operations for the period then ended, on the basis of accounting described in the report.

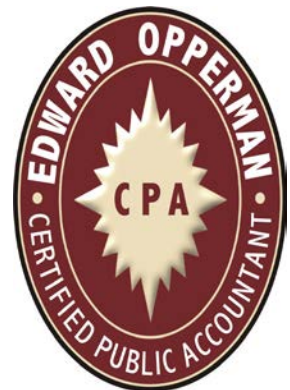
The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**COMMUNITY HEALTH INTERVENTION
AND EDUCATION FOUNDATION, INC.**

**REPORT ON AUDITED
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015



EDWARD OPPERMAN, CPA
CERTIFIED PUBLIC ACCOUNTANT

"NOT JUST YOUR ACCOUNTANT, YOUR PARTNER IN SUCCESS"

**COMMUNITY HEALTH INTERVENTION
AND EDUCATION FOUNDATION, INC**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC.
Rockville, Indiana

We have audited the accompanying statement of financial position of Community Health Intervention and Education Foundation, Inc., an Indiana non-profit organization, (the Organization) as of September 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Health Intervention and Education Foundation, Inc. as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

EDWARD OPPERMAN, CPA
LAFAYETTE, INDIANA
JANUARY 19, 2017

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ (2,083)	\$ -	\$ (2,083)	\$ 5,874
Accounts receivable	13,987	-	13,987	34,485
Grants receivable	-	-	-	11,753
Prepaid expenses	878	-	878	881
Interest in net assets of community foundation	3,616	-	3,616	3,616
Current Assets	<u>16,398</u>	<u>-</u>	<u>16,398</u>	<u>56,609</u>
Fixed Assets				
Building	388,258	-	388,258	388,258
Furniture and equipment	229,432	-	229,432	197,500
	617,690	-	617,690	585,758
Less accumulated depreciation	317,261	-	317,261	300,131
	<u>300,429</u>	<u>-</u>	<u>300,429</u>	<u>285,627</u>
Total Assets	<u>\$ 316,827</u>	<u>\$ -</u>	<u>\$ 316,827</u>	<u>\$ 342,236</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Accrued expenses	\$ 21,799	\$ -	\$ 21,799	\$ 26,302
Funds held on behalf of others	-	2,003	2,003	2,003
Notes payable	98,987	-	98,987	121,651
Mortgage payable	124,358	-	124,358	140,289
Total Liabilities	<u>\$ 245,144</u>	<u>\$ 2,003</u>	<u>\$ 247,147</u>	<u>\$ 290,245</u>
Net Assets				
Unrestricted	71,683	-	71,683	41,241
Temporarily Restricted	-	(2,003)	(2,003)	10,750
Total Net Assets	<u>\$ 71,683</u>	<u>\$ (2,003)</u>	<u>\$ 69,680</u>	<u>\$ 51,991</u>
Total Liabilities and Net Assets	<u>\$ 316,827</u>	<u>\$ -</u>	<u>\$ 316,827</u>	<u>\$ 342,236</u>

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
<u>SUPPORT</u>				
Contributions	\$ 4,597	\$ -	\$ 4,597	\$ 1,729
In-kind support	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total Support	29,597	-	29,597	26,729
<u>REVENUE</u>				
Federal grants	-	145,699	145,699	143,490
State and local grants	-	275,141	275,141	285,141
Patient fees	21,923	-	21,923	62,864
Medicare & Medicaid	36,190	-	36,190	52,726
Rent income	10,800	-	10,800	12,910
Health insurance	15,651	-	15,651	37,604
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,639</u>
Total Support	84,564	420,840	505,404	598,374
Net assets released from restrictions	<u>433,593</u>	<u>(433,593)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>\$ 547,754</u>	<u>\$ (12,753)</u>	<u>\$ 535,001</u>	<u>\$ 625,103</u>
<u>EXPENSES</u>				
Program services	\$ 423,056	\$ -	\$ 423,056	\$ 485,311
Management and general expenses	<u>94,256</u>	<u>-</u>	<u>94,256</u>	<u>147,842</u>
Total Expenses	<u>\$ 517,312</u>	<u>\$ -</u>	<u>\$ 517,312</u>	<u>\$ 633,153</u>
Increase (decrease) in Net Assets	30,442	(12,753)	17,689	(8,050)
Net Assets - beginning of year	<u>41,241</u>	<u>10,750</u>	<u>51,991</u>	<u>60,041</u>
Net Assets - end of year	<u>\$ 71,683</u>	<u>\$ (2,003)</u>	<u>\$ 69,680</u>	<u>\$ 51,991</u>

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	PROGRAMS					2015 Total	2014 TOTAL
	Maternal and Child Health Grant	Women, Infant, and Children Program	Community Health Clinic Grant	Dental Program	M & G		
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,168
Contracted labor	60	60	268	24,045	568	25,001	25,001
Contracts	-	3,080	12,369	1,874	-	17,323	15,870
Depreciation	-	-	-	-	17,130	17,130	16,753
Dues	-	-	-	-	-	-	160
Equipment	-	-	667	-	8,133	8,800	7,450
Insurance	37	37	2,960	-	17,767	20,801	31,450
Interest	-	-	-	-	11,886	11,886	9,520
Miscellaneous	12,894	521	-	-	-	13,415	5,996
Office expenses	48	-	123	48	1,548	1,767	2,866
Payroll taxes & fringe	1,659	4,601	39,855	764	5,459	52,338	30,880
Professional fees	-	-	-	-	4,381	4,381	26,307
Repairs and maintenance	101	101	101	-	628	931	2,778
Rent expense	1,726	1,726	1,726	345	1,380	6,903	4,800
Service supplies	834	4,841	8,523	1,149	1,046	16,393	30,481
Supplies	16	94	165	22	20	317	2,340
Utilities	58	226	1,235	-	1,415	2,934	19,115
Wages	22,567	55,983	204,090	5,192	22,895	310,727	391,833
Occupancy expense	-	3,155	3,110	-	-	6,265	6,385
	<u>\$ 40,000</u>	<u>\$ 74,425</u>	<u>\$ 275,192</u>	<u>\$ 33,439</u>	<u>\$ 94,256</u>	<u>\$ 517,312</u>	<u>\$ 633,153</u>

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	17,689
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:		
Depreciation		17,130
(Increase) decrease in operating assets:		
Accounts receivable		20,498
Grants receivable		11,753
Prepaid expenses		3
Increase (decrease) in operating liabilities:		
Accrued expenses		(4,503)
Funds held on behalf of others		-
Net Cash Provided by (Used in) Operating Activities		<u>62,570</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchased of Fixed Assets		<u>(31,932)</u>
Net Cash Provided by (Used in) Financing Activities		<u>(31,932)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on mortgage payable, net		(6,504)
Payments on notes payable, net		<u>(32,091)</u>
Net Cash Provided by (Used in) Financing Activities		<u>(38,595)</u>
Net increase (decrease) in cash		(7,957)
Cash - beginning of year		<u>5,874</u>
Cash - end of year	\$	<u>(2,083)</u>
Interest paid during the year	\$	<u>11,886</u>

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

1. NATURE OF THE ORGANIZATION

The Community Health Intervention and Education Foundation, Inc. (the Organization) was created to provide a place where quality health services would be more comprehensive, affordable and accessible to area families.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting.

The financial statement are presented in accordance with the provisions of FASB Statements No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statement of Not-for-Profit Organizations*, and the AICPA Audit and Accounting Guide for Not-for-Profit Organizations (the “Guide”)

Under the provision of FASB Statements 116 and 117 and the Guide, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions, Accordingly, the net assets of the Organization and charges therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Property and Equipment is stated at cost or, for donations, at fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those 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.

Depreciation is computed over the estimated useful lives of the equipment, generally three to forty years, using the straight-line or double declining methods. Depreciation expense was \$17,130 for the year ended September 30, 2015.

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont)

Federal and State income taxes – The Organization has been granted an exemption from income taxes as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no expense or liability for income taxes has been recognized in the accompanying financial statements. Contributions to the Organization are tax deductible within the limitations prescribed by the code. The Organization is not considered a private foundation within the meaning of Section 509(a)(1) of the code.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts. Actual results could differ from these estimates.

Concentration of Support Risk – Support for the Organization comes primarily from federal and state grants, Medicare & Medicaid billings, insurance billings, patient fees and contributions from the general public. The Organization does conduct a limited number of special event fundraisers.

Approximately 66% of the Organization's support and revenue was provided by federal, state and local grants and contracts.

Accounts and Grants Receivable – The Organization records accounts and grants receivable at cost and are deemed by management to be fully collectible. Therefore, no allowance for doubtful accounts has been included in the financial statements.

Contributions Receivable – The Organization records contributions when the donor makes a promise to give that is, in substance, unconditional. Promises to give consist of amounts due in less than one year.

Contributed Services – The Organization records various types of in-kind support including property and equipment, professional services, and materials. Property and equipment donated are capitalized on the basis as explained in the above Note. Contributed professional services are recognized if the services either create or enhance long-live assets, or require specialized skills and would typically need to be purchased if not provided by the donation. Contributions of supplies and materials are recognized at fair market value when received. Donated in-kind professional services was approximately \$25,000 for the both years ended September 30, 2014 and 2013.

The Organization also receives significant donations of time from volunteers. The Organization's programs and operations could not be fully achieved without the dedicated efforts of many volunteers. These contributed services are not reported as they do not meet the requirements under current accounting standards.

Fair Values of Financial Instruments – The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: The carry amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Investments: The amount reported is the approximate fair value of those investments for the period covered by the financial statements.

Long-term debt: The fair value of the mortgage note payable is based on its carrying amount.

Functional Allocation of Expenses - The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont)

Advertising – The Organization expenses advertising costs as incurred. For the year ended September 30, 2015 and 2014 advertising costs totaled \$0 and \$3,168.

Accrued Vacation – The Organization has not accrued compensated absences because the amount cannot be reasonably estimated.

3. PRIOR YEAR PRESENTATION AND RECLASSIFICATION

Certain accounts in the prior year financial statement have been reclassified for comparative purposes to be conformed to the current year and for presentation along with the current-year financial statements. Additionally some prior year information is included in this report to provide the reader current-year and prior-year comparisons.

4. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash in bank accounts, the total of which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2015 the insured limits were not exceeded by the Organization.

5. FUNDS HELD IN TRUST BY OTHERS

The Organization has contributed a total of \$3,500 to the Parke County Community Foundation, Inc. (the Foundation) to establish a fund (the Fund) to benefit the Community Health Intervention and Education Foundation, Inc.

The primary purpose of the designated endowment fund is to provide support to the Organization so that it may continue to provide quality health services to children and families in Parke County.

Subject to the right of the Parke County Community Foundation, Inc. to reject any particular gift, any person whether an individual, corporation, trust, estate or organization, including the Organization, may make additional gifts to the Foundation for the purpose of the Fund. All gifts are irrevocable once accepted by the Foundation. The Fund is not a separate trust. All money and property of the Fund is held as general assets of the Foundation. The Organization through the acceptance of the designated endowment agreements, has granted the board of directors of the Foundation variance power. The variance power allows the Foundation to redirect the distributions from the established Fund if in the judgment of the Foundation's board of directors, the conditions or restrictions of these agreements are unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Foundation. No distributions shall be made from these funds if it endangers the 501(c)(3) status of the Foundation.

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

6. FIXED ASSETS

The following represents the fixed assets as of September 30, 2015 and 2014:

	Life	2015			2014		
		Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Building	39	\$ 50,000	\$ 27,088	\$ 22,912	\$ 50,000	\$ 25,625	\$ 24,375
Building Improvements	5 - 15	338,258	100,741	237,517	338,258	95,302	242,956
Equipment	5 - 7	229,432	189,432	40,000	197,500	179,204	18,296
		<u>\$ 617,690</u>	<u>\$ 317,261</u>	<u>\$ 300,429</u>	<u>\$ 585,758</u>	<u>\$ 300,131</u>	<u>\$ 285,627</u>
Depreciation expense for the year ended December 31,				\$ 17,314		\$ 16,753	

7. FEDERAL GRANTS AND CONTRACTS

Federal awards and grants consist of the following for the year ended September 30:

Source	2015	2014
Department of Health & Human Services; Passed through Indiana State Department of Health: Maternal and Child Health Services Grant	\$ 40,000	\$ 40,000
Department of Agriculture - Rural Development	31,311	38,000
Department of Agriculture - Food and Nutrition Services; Passed through Indiana State Department of Health: Women, Infants and Children Program	74,388	65,490
	<u>\$ 145,699</u>	<u>\$ 143,490</u>

8. STATE AND LOCAL GRANTS AND CONTRACTS

State and local grants consist of the following for the year ended September 30, 2015 and 2014:

Source	2015	2014
State of Indiana Community Health Clinic Grant	\$ 275,141	\$ 285,141
	<u>\$ 275,141</u>	<u>\$ 285,141</u>

COMMUNITY HEALTH INTERVENTION AND EDUCATION FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

9. MORTGAGE AND NOTES PAYABLE

The following represents the notes payables as of September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Mortgage, First Financial Bank, payable in monthly installment of \$1,015, including 5.5% interest with a maturity date of August 2020. Secured by real estate. Interest is payable at prime rate, adjusted every third year beginning in August 2003.	\$ 133,785	\$ 140,289
Note Payable, Old National Bank, including 6.2% interest, and payments of \$931.99.	19,478	31,227
Note Payable, Parke Co Economic Development	10,225	17,204
Note Payable, First Financial Bank	17,052	19,500
Note Payable, Old National Bank, including 7.2% interest, and payments of \$997.78.	7,127	18,042
Note Payable, USDA Rural Development	27,548	27,548
Note Payable, First Financial Bank, including 7.99% interest, and payments of \$304.77.	8,130	8,130
	\$ 223,345	\$ 261,940
Less current maturities	28,081	33,262
Total Long-Term Liabilities	<u>\$ 195,264</u>	<u>\$ 228,678</u>

Future minimum principal payments are as follows:

<u>Year</u>	<u>Principal Payment</u>
2015-16	\$ 28,081
2016-17	15,796
2017-18	7,045
2018-19	6,704
2019-20	6,704
Beyond	159,015
	<u>\$ 223,345</u>

Interest expense for the year ended September 30, 2015 and 2014 was \$11,886 and \$9,520.

10. RENT INCOME

The Organization leases office space to another organization on a month-to-month basis. The rental income under these agreements for the year ended September 30, 2015 and 2014 was \$10,800 and \$12,910.