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May 4, 2018

Board of Directors
Hendricks County Health Foundation, Inc.
247 S. Wayne Street
Danville, IN 46122

We have reviewed the report prepared by Hendricks County Health Foundation, Inc. and opined upon by Donovan CPAs & Advisors, Independent Public Accountants, for the period October 1, 2014 to September 30, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Hendricks County Health Foundation, Inc. as of September 30, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Donovan CPAs & Advisors prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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


Paul D. Joyce, CPA
State Examiner

**HENDRICKS COUNTY HEALTH FOUNDATION, INC.
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM
FOR WOMEN, INFANTS AND CHILDREN**

FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended September 30, 2016 and 2015



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Independent Auditors' Report

To the Board of Directors
Hendricks County Health Foundation, Inc.
247 S. Wayne Street
Danville, Indiana 46122

We have audited the accompanying financial statements of Hendricks County Health Foundation, Inc., Special Supplemental Nutrition Program for Women, Infants, and Children, which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets, and cash flows for the years then ended 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 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 of 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 auditors' 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 auditors consider 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 financial position of Hendricks County Health Foundation, Inc., Special Supplemental Nutrition Program for Women, Infants, and Children as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of federal financial assistance on page 8 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large initial "D".

December 5, 2016
Avon, Indiana

HENDRICKS COUNTY HEALTH FOUNDATION, INC.
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
FOR WOMEN, INFANTS AND CHILDREN
STATEMENTS OF FINANCIAL POSITION
September 30, 2016 and 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 30,877	\$ 22,541
Grants receivable	11,005	19,062
Other receivable	1,174	934
<i>Total current assets</i>	43,056	42,537
PROPERTY AND EQUIPMENT		
Equipment	29,690	29,690
Less accumulated depreciation	(28,129)	(27,534)
<i>Net property and equipment</i>	1,561	2,156
TOTAL ASSETS	\$ 44,617	\$ 44,693
LIABILITIES AND NET ASSETS		
LIABILITIES	\$ -	\$ -
UNRESTRICTED NET ASSETS	44,617	44,693
TOTAL LIABILITIES AND NET ASSETS	\$ 44,617	\$ 44,693

See independent auditors' report and accompanying notes to the financial statements

HENDRICKS COUNTY HEALTH FOUNDATION, INC.
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
FOR WOMEN, INFANTS AND CHILDREN
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended September 30, 2016 and 2015

	2016	2015
SUPPORT		
Federal assistance	\$ 247,817	\$ 214,838
Peer counseling income	12,473	10,501
Donations	-	14,000
In-kind donations	1,500	1,500
<i>Total support</i>	261,790	240,839
EXPENSES		
Payroll and related taxes	202,097	172,856
Rent	15,000	15,000
Professional fees	9,591	9,226
Supplies	9,377	7,347
Communication	6,121	2,870
Maintenance	5,046	4,017
Employee benefits	4,917	3,890
Utilities	4,077	4,130
Travel	3,341	525
In-kind donation expense	1,500	1,500
Depreciation	595	1,119
Postage, printing and telephone	204	214
<i>Total expenses</i>	261,866	222,694
CHANGE IN NET ASSETS	(76)	18,145
NET ASSETS, BEGINNING OF YEAR	44,693	26,548
NET ASSETS, END OF YEAR	\$ 44,617	\$ 44,693

See independent auditors' report and accompanying notes to the financial statements

HENDRICKS COUNTY HEALTH FOUNDATION, INC.
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
FOR WOMEN, INFANTS AND CHILDREN
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (76)	\$ 18,145
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	595	1,119
Change in certain assets and liabilities:		
Grants receivable	8,057	(3,858)
Other receivable	(240)	(289)
Payroll liabilities	<u>-</u>	<u>(4,023)</u>
<i>Net cash provided by operating activities</i>	<u>8,336</u>	<u>11,094</u>
CASH, BEGINNING OF YEAR	<u>22,541</u>	<u>11,447</u>
CASH, END OF YEAR	<u><u>\$ 30,877</u></u>	<u><u>\$ 22,541</u></u>

See independent auditors' report and accompanying notes to the financial statements

HENDRICKS COUNTY HEALTH FOUNDATION, INC
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS AND CHILDREN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – The Hendricks County Health Foundation, Inc. (the Foundation) was formed in 1980 as a not-for-profit corporation for the purpose of administrating the Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program) in Hendricks County, Indiana. Substantially all financial support is provided by the U.S. Department of Agriculture administered by the Indiana State Department of Health. The Foundation’s office is located in Danville, Indiana.

Basis of Accounting – The Foundation maintains its accounting records on the accrual method of accounting. Under this method revenue and expenses are recorded as earned or incurred.

Financial Statement Presentation – The Foundation reports financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Foundation. Temporarily restricted net assets represent resources restricted by donors for specific purposes for which restrictions have not yet been met. Permanently restricted net assets represent donated resources with stipulations that they be used for a specific purpose, be preserved, or be invested to provide a permanent source of income. The Foundation has no temporarily or permanently restricted net assets.

Cash – For purposes of the statements of cash flows, cash consists of cash held in demand deposit accounts at a single financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2016 and 2015, the Foundation did not have balances in excess of the insured limit.

Grants Receivable – Grant funds requested for reimbursement that are received in a subsequent period are shown as grants receivable.

Property and Equipment – Equipment purchased by the Foundation is stated at cost, while equipment donated is recorded at the estimated fair value at the date of gift. Assets are depreciated over the estimated useful lives, ranging from 5 to 7 years using accelerated methods. The Foundation capitalizes purchases over \$500 with a useful life of more than one year. The Foundation is in possession of equipment purchased directly by the Indiana State Department of Health. These assets are not reflected in the statements of financial position of the Foundation. Depreciation expense for the years ended September 30, 2016 and 2015 was \$595 and \$1,119, respectively.

Tax Status – The Foundation is a not-for-profit corporation approved under Section 501(c)(3) of the Internal Revenue Code. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

HENDRICKS COUNTY HEALTH FOUNDATION, INC
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS AND CHILDREN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Uncertain Tax Positions – Management has determined the Foundation does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation’s tax returns will not be challenged by the tax authorities and the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge.

The Forms 990, *Return of Organization Exempt from Income Tax*, of the Foundation are subject to examination by the IRS, generally for three years after they are filed. The Foundation is currently not under any federal or state audits.

Use of Estimates – The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events – The Foundation has evaluated the financial statements for subsequent events occurring through December 5, 2016, which is the date these financial statements were available to be issued.

NOTE 2 - OPERATING LEASE

The Foundation leases office space under an operating lease agreement. The lease is automatically renewed annually. Lease payments were \$1,250 monthly. Total rent expense was \$15,000 and \$15,000 for the years ended September 30, 2016 and 2015, respectively.

NOTE 3 - CONTINGENT LIABILITY

The Foundation periodically receives donations from local organizations to assist with the funding of general operations. In the event of the Foundation’s termination of operations, the donated amounts will be returned to the donating organizations. The total contingent liability related to this agreement between the Foundation and its donors is approximately \$49,100 as of both September 30, 2016 and 2015. No current year donations. The Foundation has no intentions of terminating operations in the foreseeable future.

SUPPLEMENTARY INFORMATION

**HENDRICKS COUNTY HEALTH FOUNDATION, INC.
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS AND CHILDREN
SCHEDULE A - SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Years Ended September 30, 2016 and 2015**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Grant Period</u>	<u>Receipts / Revenue Recognized</u>	<u>Disbursements / Expenditures</u>
U.S. Department of Agriculture, Food and Nutrition Service: Indiana State Department of Health: Special Supplemental Nutrition Program For Women, Infants, and Children Award #: 14368 CFDA #: 10.557	FY 2016	\$ 260,290	\$ 260,290
U.S. Department of Agriculture, Food and Nutrition Service: Indiana State Department of Health: Special Supplemental Nutrition Program For Women, Infants, and Children Award #: A70-5-07641 CFDA #: 10.557	FY 2015	\$ 225,339	\$ 225,339

See independent auditors' report