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June 7, 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, Independent Public Accountants, for the period October 1, 2016 to September 30, 2017. 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, 2017 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 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*  
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, 2017 and 2016



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# Donovan CPAs

## *Independent Auditors' Report*

The Board of Directors  
Hendricks County Health Foundation, Inc.

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, 2017 and 2016, and the related statements of activities and change in net assets, functional expenses, 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, 2017 and 2016, and the changes in its net assets, functional expenses, and 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 9 is presented for the purpose 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, prominent "D".

November 28, 2017  
Avon, Indiana

**HENDRICKS COUNTY HEALTH FOUNDATION, INC.**  
**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**  
**FOR WOMEN, INFANTS, AND CHILDREN**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 28,391	\$ 30,877
Grants receivable	13,360	11,005
Other receivable	<u>1,555</u>	<u>1,174</u>
<i>Total current assets</i>	<u>43,306</u>	<u>43,056</u>
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	31,490	29,690
Less accumulated depreciation	<u>(28,733)</u>	<u>(28,129)</u>
<i>Property and equipment, net</i>	<u>2,757</u>	<u>1,561</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 46,063</u></u>	<u><u>\$ 44,617</u></u>
<b>NET ASSETS</b>		
<b>NET ASSETS, UNRESTRICTED</b>	<u><u>\$ 46,063</u></u>	<u><u>\$ 44,617</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**  
**STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>SUPPORT</b>		
Federal assistance	\$ 247,602	\$ 247,817
Peer counseling income	14,250	12,473
Cash donations	250	-
In-kind donations	<u>1,500</u>	<u>1,500</u>
<i>Total support</i>	<u>263,602</u>	<u>261,790</u>
<b>EXPENSES</b>		
Program services	221,567	220,708
Management and general	<u>40,589</u>	<u>41,158</u>
<i>Total expenses</i>	<u>262,156</u>	<u>261,866</u>
<b>CHANGE IN NET ASSETS</b>	1,446	(76)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>44,617</u>	<u>44,693</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 46,063</u></u>	<u><u>\$ 44,617</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**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>			<u>2016</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b>FUNCTIONAL EXPENSES</b>						
Payroll and related taxes	\$ 178,927	\$ 30,702	\$ 209,629	\$ 172,252	\$ 29,845	\$ 202,097
Rent	12,000	3,000	15,000	12,000	3,000	15,000
Professional fees	6,349	1,587	7,936	7,673	1,918	9,591
Supplies	5,880	1,470	7,350	7,502	1,875	9,377
Communication	4,190	1,047	5,237	4,897	1,224	6,121
Maintenance	3,744	936	4,680	4,037	1,009	5,046
Employee benefits	4,430	394	4,824	4,532	385	4,917
Utilities	2,894	724	3,618	3,262	815	4,077
Travel	1,230	308	1,538	2,673	668	3,341
In-kind donation expense	1,200	300	1,500	1,200	300	1,500
Depreciation	483	121	604	476	119	595
Postage, printing, and telephone	240	-	240	204	-	204
<i>Total functional expenses</i>	<u>\$ 221,567</u>	<u>\$ 40,589</u>	<u>\$ 262,156</u>	<u>\$ 220,708</u>	<u>\$ 41,158</u>	<u>\$ 261,866</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**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,446	\$ (76)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	604	595
Change in certain assets and liabilities:		
Grants receivable	(2,355)	8,057
Other receivable	(381)	(240)
	(686)	8,336
<i>Net cash provided by (used in) operating activities</i>	(686)	8,336
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(1,800)	-
<b>NET INCREASE (DECREASE) IN CASH</b>	(2,486)	8,336
<b>CASH, BEGINNING OF YEAR</b>	30,877	22,541
<b>CASH, END OF YEAR</b>	\$ 28,391	\$ 30,877

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 THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2017 and 2016**

**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. The Foundation’s office is located in Danville, Indiana.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition – Substantially all financial support is provided by the U.S. Department of Agriculture administered by the Indiana State Department of Health, and is the product of cost reimbursement grants. Therefore, the Foundation recognizes revenue under these grants in the amounts of costs and expenses at the time they are incurred.

Taxes on Income – The Foundation has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the Foundation would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended September 30, 2017 and 2016, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the Foundation to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The Foundation has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years ended after 2013 are open to audit for both federal and state purposes.

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, 2017 and 2016, 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. The Foundation believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

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 7 to 15 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, 2017 and 2016 was \$604 and \$595, respectively.

**HENDRICKS COUNTY HEALTH FOUNDATION, INC**  
**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR**  
**WOMEN, INFANTS AND CHILDREN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2017 and 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Subsequent events – The Foundation has evaluated the financial statements for subsequent events occurring through November 28, 2017, 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 for each of the years ended September 30, 2017 and 2016.

**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, 2017 and 2016. The Foundation has no intentions of terminating operations in the foreseeable future.

**NOTE 4 - RISKS AND UNCERTAINTIES**

Substantially all revenues relate to legislation enacted by the Federal Government which are administered by State of Indiana. Additionally, the Foundation is subject to monitoring and audit by state and federal agencies. Changes in state or federal legislation could significantly affect the Foundation.

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, 2017 and 2016**

<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 #: 16949 CFDA #: 10.557	FY 2017	\$ 261,852	\$ 261,852
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