

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT REVIEW REPORT
OF
ISDH HEALTHY HOOSIERS FOUNDATION, INC.
March 10, 2014 to December 31, 2018



FILED
09/03/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	William VanNess, MD Jerome Adams, MD Dan Evans	03-10-14 to 10-13-14 10-14-14 to 04-23-17 04-24-17 to 12-31-19
Executive Director	(Vacant) Scott Zarazee	03-10-14 to 03-09-15 03-10-15 to 12-31-19



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

TO: THE OFFICIALS OF THE ISDH HEALTHY HOOSIERS FOUNDATION, INC.

We have reviewed the accompanying financial statement of the ISDH Healthy Hoosiers Foundation, Inc. (Foundation), for the period of March 10, 2014 to December 31, 2018. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Foundation's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with a regulatory basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6); which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This includes determining that the basis of accounting the Foundation uses is an acceptable basis for the preparation of the financial statement 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statement on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statement for it to be in accordance with the prescribed basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT
(Continued)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statement in order for it to be in accordance with the prescribed basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared in accordance with the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

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

July 18, 2019

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were prepared by management of the Foundation. The financial statement and notes are presented as intended by the Foundation.

ISDH HEALTHY HOOSIERS FOUNDATION, INC.
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of the Period Beginning March 10, 2014 through December 31, 2018

Calendar Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Cash and Investments, January 1	\$ -	\$ 150	\$ 17,697	\$ 36,049	\$ 42,142
Receipts	1,000	17,617	18,694	15,341	103,884
Disbursements	<u>(850)</u>	<u>(70)</u>	<u>(342)</u>	<u>(9,248)</u>	<u>(30,812)</u>
Excess of Receipts Over Disbursements	<u>150</u>	<u>17,547</u>	<u>18,352</u>	<u>6,093</u>	<u>73,072</u>
Cash and Investments, December 31	<u>\$ 150</u>	<u>\$ 17,697</u>	<u>\$ 36,049</u>	<u>\$ 42,142</u>	<u>\$ 115,214</u>

The notes to the financial statement are an integral part of this statement.

ISDH HEALTHY HOOSIERS FOUNDATION, INC.

Notes to Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis (March 10, 2014 through December 31, 2018)

Note 1. Summary of Significant Accounting Policies.

A. Reporting Entity.

- i. Pursuant to Indiana Code (“IC”) 16-19-3-30, ISDH Healthy Hoosiers Foundation, Inc. (“HHF”) was established by the Indiana State Department of Health (“ISDH”) as a nonprofit subsidiary corporation to be exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (the “Code”). Pursuant to its Articles of Incorporation filed with the Indiana Secretary of State on March 10, 2014, HHF was formed to: (a) provide support, resources, and assistance to the ISDH, (b) undertake activities to carry out the purposes and programs of the ISDH, and (c) transact any and all lawful business for which corporations may be incorporated under the Indiana Nonprofit Corporation Act of 1991.
- ii. By favorable determination letter dated February 18, 2015, the Internal Revenue Service recognized HHF to be a tax exempt organization described in Code section 501(c)(3), as well as a public charity described in Code section 509(a)(3), all as effective March 10, 2014.
- iii. Consistent with IC 16-19-3-30, HHF’s Board of Directors (the “Board”) are appointed by the Governor of the State of Indiana, Board members have included ISDH’s employees, as well as individuals not employed by ISDH, and ISDH has assisted with some of HHF’s administration and operations.

- B. Basis of Accounting. The Statement of Receipts, Disbursements, and Cash and Investment Balances (the “financial statements”) are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

- C. Receipts. Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts represent contributions, gifts, grants, and similar amounts received by HHF over the initial 5-year period.

ISDH HEALTHY HOOSIERS FOUNDATION, INC.

Notes to Statement of Receipts, Disbursements, and
Cash and Investment Balances – Regulatory Basis
(March 10, 2014 through December 31, 2018)
(Continued)

- D. Disbursements. Disbursements are reported in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses: program service expenditures, state filing fees, membership dues, bank fees, supplies, and general operational expenditures.
- E. Restricted Cash. Some monies held by the HHF are subject to restrictions established by donors, while other monies are internally restricted by the HHF. Such amounts may only be available for use for certain restricted purposes. These amounts are maintained in separate accounts established and maintained by HHF.

Note 2. Deposits.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, HHF's deposits may not be returned. HHF does not have a deposit policy for custodial credit risk. However, HHF's deposits were insured up to \$250,000 by the Federal Depository Insurance Corporation.

Note 3. Subsequent Events.

Subsequent to the end of the initial 5-year period, HHF was provided \$341,000 by Indiana Aids Funds, Inc., a wholly-owned subsidiary of The Health Foundation of Greater Indianapolis in order to support administrative infrastructure development of HHF in order to expand its grantmaking capacity. Later in 2019, it is anticipated that ISDH will grant an additional \$2,000,000 of funds from the federal Ryan White HIV/Aids Program (the "Program"), which funds HHF will subsequently expend in furtherance of the federal Program's goals and objectives. Such grants and HHF's subsequent use and disbursement thereof are subject to oversight of Health Resources & Services Administration ("HRSA"), an agency of the U.S. Department of Health and Human Services, and ISDH.

ISDH HEALTHY HOOSIERS FOUNDATION, INC.
EXIT CONFERENCE

The contents of this report were discussed on July 18, 2019, with Dan Evans, President, and Scott Zarazee, Executive Director.