THE RHODE ISLAND PUBLIC HEALTH FOUNDATION  
d/b/a RHODE ISLAND PUBLIC HEALTH INSTITUTE  

Financial Statements  

December 31, 2018
THE RHODE ISLAND PUBLIC HEALTH FOUNDATION
d/b/a RHODE ISLAND PUBLIC HEALTH INSTITUTE

Table of Contents

December 31, 2018

Independent Auditors' Report 1 - 2

Audited Financial Statements:

Statement of Financial Position 3

Statement of Activities and Changes in Net Assets 4

Statement of Functional Expenses 5

Statement of Cash Flows 6

Schedule of Expenditures of Federal Awards 7

Notes to Financial Statements 8 - 16

Summary Schedule of Prior Audit Findings 17

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 18 - 19

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 20 - 21

Schedule of Findings and Questioned Costs 22

Corrective Action Plan 23
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors
The Rhode Island Public Health Foundation
data Rhode Island Public Health Institute
Providence, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of The Rhode Island Public Health Foundation, doing business as Rhode Island Public Health Institute (a non-profit organization), which comprise the statement of financial position as of December 31, and the related statement of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 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 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 School’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 financial position of The Rhode Island Public Health Foundation as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
INDEPENDENT AUDITORS’ REPORT (Continued)

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 18, 2019, in our consideration of The Rhode Island Public Health Foundation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering The Rhode Island Public Health Foundation’s internal control over financial reporting and compliance.

Exeter, Rhode Island
July 18, 2019
THE RHODE ISLAND PUBLIC HEALTH FOUNDATION

d/b/a RHODE ISLAND PUBLIC HEALTH INSTITUTE

Statement of Financial Position

December 31, 2018

ASSETS

Current Assets:
- Cash $320,544
- Grants and Unconditional Promises to Give 350,981
- Prepaid Expenses 197

Total Current Assets 671,722

Property and Equipment, Net:
- Vehicle 96,360
- Computers and Related Equipment 45,668
- Furniture and Equipment 44,661
- Leasehold Improvements 7,778

194,467

Less Accumulated Depreciation (45,361)

Total Property and Equipment, Net 149,106

Other Assets:
- Security Deposits 3,350

Total Other Assets 3,350

Total Assets $824,178

LIABILITIES AND NET ASSETS

Current Liabilities:
- Accounts Payable $18,547
- Amounts Payable to Subrecipient Grantees 141,862
- Accrued Salaries and Payroll Taxes 42,214
- Other Current Liabilities 2,545

Total Current Liabilities 205,168

Net Assets:
- Without Donor Restrictions 482,200
- With Donor Restrictions 136,810

Total Net Assets 619,010

Total Liabilities and Net Assets $824,178

See independent auditors’ report and accompanying notes to financial statements.
Changes in Net Assets Without Donor Restrictions:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues and Support</td>
<td></td>
</tr>
<tr>
<td>Governmental Grants</td>
<td>$ 1,626,027</td>
</tr>
<tr>
<td>Private Grants and Contributions</td>
<td>78,058</td>
</tr>
<tr>
<td>Food on the Move Market Sales</td>
<td>114,226</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>6,875</td>
</tr>
<tr>
<td>Loss on Sale of Equipment</td>
<td>(2,427)</td>
</tr>
<tr>
<td><strong>Total Revenues and Support</strong></td>
<td>1,822,759</td>
</tr>
<tr>
<td>Net Assets Released from Restriction</td>
<td>390,064</td>
</tr>
<tr>
<td><strong>Total Revenues, Support and Net Assets Released from Restriction</strong></td>
<td>2,212,823</td>
</tr>
</tbody>
</table>

Expenses:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services:</td>
<td></td>
</tr>
<tr>
<td>Chronic Disease Prevention Programs</td>
<td>678,115</td>
</tr>
<tr>
<td>Infectious Disease Programs</td>
<td>1,201,687</td>
</tr>
<tr>
<td>Public Health Training Programs</td>
<td>1,101</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td>1,880,903</td>
</tr>
<tr>
<td>Supporting Services:</td>
<td></td>
</tr>
<tr>
<td>Management and General</td>
<td>164,102</td>
</tr>
<tr>
<td>Fundraising</td>
<td>7,727</td>
</tr>
<tr>
<td><strong>Total Supporting Services</strong></td>
<td>171,829</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>2,052,732</td>
</tr>
</tbody>
</table>

Increase in Net Assets Without Donor Restrictions

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>160,091</td>
</tr>
</tbody>
</table>

Changes in Net Assets With Donor Restrictions:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Grants and Contributions</td>
<td>100,000</td>
</tr>
<tr>
<td>Net Assets Released from Restriction</td>
<td>(390,064)</td>
</tr>
<tr>
<td><strong>Decrease in Net Assets With Donor Restrictions</strong></td>
<td>(290,064)</td>
</tr>
</tbody>
</table>

Decrease in Total Net Assets

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(129,973)</td>
</tr>
</tbody>
</table>

Net Assets, Beginning of Year

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>748,983</td>
</tr>
</tbody>
</table>

Net Assets, End of Year

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 619,010</td>
</tr>
</tbody>
</table>

See independent auditors' report and accompanying notes to the financial statements.
### Personnel Costs:

<table>
<thead>
<tr>
<th></th>
<th>Chronic Disease Prevention Programs</th>
<th>Infectious Disease Programs</th>
<th>Public Health Training Programs</th>
<th>Total Program Services</th>
<th>Management General</th>
<th>Fundraising</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$297,103</td>
<td>$160,498</td>
<td>-</td>
<td>$457,601</td>
<td>$113,423</td>
<td>$7,125</td>
<td>$578,149</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>28,627</td>
<td>14,896</td>
<td>-</td>
<td>43,523</td>
<td>12,304</td>
<td>520</td>
<td>56,347</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>14,214</td>
<td>352</td>
<td>-</td>
<td>14,566</td>
<td>3,879</td>
<td>-</td>
<td>18,445</td>
</tr>
<tr>
<td><strong>Total Personnel Costs</strong></td>
<td>$339,944</td>
<td>$175,746</td>
<td>-</td>
<td>$515,690</td>
<td>$129,606</td>
<td>$7,645</td>
<td>$652,941</td>
</tr>
</tbody>
</table>

### Other Expenses:

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>255</td>
<td>-</td>
<td>255</td>
<td>-</td>
<td>293</td>
</tr>
<tr>
<td>Community Outreach</td>
<td></td>
<td>139,378</td>
<td>-</td>
<td>139,378</td>
<td>-</td>
</tr>
<tr>
<td>Conferences and Meetings</td>
<td>1,007</td>
<td>200</td>
<td>1,207</td>
<td>377</td>
<td>-</td>
</tr>
<tr>
<td>Food on the Move Supplies and Expenses</td>
<td>9,431</td>
<td>-</td>
<td>9,431</td>
<td>-</td>
<td>9,431</td>
</tr>
<tr>
<td>Information Technology</td>
<td>2,538</td>
<td>5,038</td>
<td>7,576</td>
<td>2,261</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>18,127</td>
<td>223</td>
<td>18,350</td>
<td>2,073</td>
<td>-</td>
</tr>
<tr>
<td>Grants to Subcontractors</td>
<td></td>
<td>713,965</td>
<td>713,965</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,055</td>
<td>1,424</td>
<td>4,580</td>
<td>375</td>
<td>-</td>
</tr>
<tr>
<td>Occupancy</td>
<td>64,045</td>
<td>30,488</td>
<td>94,533</td>
<td>5,058</td>
<td>-</td>
</tr>
<tr>
<td>Office Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Charges</td>
<td></td>
<td>-</td>
<td>-</td>
<td>680</td>
<td>82</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>3,841</td>
<td>5,048</td>
<td>8,889</td>
<td>1,929</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>3,820</td>
<td>4,291</td>
<td>8,111</td>
<td>2,983</td>
<td>-</td>
</tr>
<tr>
<td>Printing &amp; Reproduction</td>
<td>4,302</td>
<td>9</td>
<td>4,311</td>
<td>183</td>
<td>-</td>
</tr>
<tr>
<td>Postage</td>
<td>71</td>
<td>-</td>
<td>71</td>
<td>161</td>
<td>-</td>
</tr>
<tr>
<td>Equipment, Rental &amp; Maintenance</td>
<td>220</td>
<td>3,940</td>
<td>4,160</td>
<td>1,354</td>
<td>-</td>
</tr>
<tr>
<td>Software and Subscriptions</td>
<td>1,091</td>
<td>1,927</td>
<td>3,018</td>
<td>3,188</td>
<td>-</td>
</tr>
<tr>
<td>Outside Fees for Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting and Bookkeeping</td>
<td></td>
<td>-</td>
<td>-</td>
<td>8,364</td>
<td>-</td>
</tr>
<tr>
<td>Consultants</td>
<td>60,370</td>
<td>91,031</td>
<td>151,401</td>
<td>2,810</td>
<td>-</td>
</tr>
<tr>
<td>Legal Services</td>
<td>-</td>
<td>15,000</td>
<td>15,000</td>
<td>540</td>
<td>-</td>
</tr>
<tr>
<td>Produce Purchases, Supplies and Equipment</td>
<td>130,167</td>
<td>-</td>
<td>130,167</td>
<td>-</td>
<td>130,167</td>
</tr>
<tr>
<td>Travel and Vehicle Expenses</td>
<td>15,834</td>
<td>793</td>
<td>16,627</td>
<td>1,955</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Before Depreciation</strong></td>
<td>$657,118</td>
<td>$1,188,501</td>
<td>$1,846,720</td>
<td>$163,935</td>
<td>$7,727</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>20,997</td>
<td>13,186</td>
<td>34,183</td>
<td>167</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$678,115</td>
<td>$1,201,687</td>
<td>$1,880,903</td>
<td>$164,102</td>
<td>$7,727</td>
</tr>
</tbody>
</table>
Cash Flows from Operating Activities:

Decrease in Net Assets $ (129,973)

Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:

Depreciation 34,351
Profit on Disposition of Equipment 2,427

Changes In:

Grants and Contributions Receivable 28,164
Prepaid Expenses 10,305
Security Deposits (3,350)
Accounts Payable (6,394)
Amounts Payable to Subrecipient Grantees (18,101)
Accrued Salaries and Payroll Taxes 35,882
Other Current Liabilities 2,545

Total Adjustments 85,829

Net Cash Used in Operating Activities (44,144)

Cash Flows from Investing Activities:

Purchase of Equipment (57,920)
Proceeds from Disposition of Property and Equipment 3,000
Change in Cash Restricted for Long-Term Purposes 9,596

Net Cash Used in Investing Activities (45,324)

Net Decrease in Cash (89,468)

Cash, Beginning of Year 410,012

Cash, End of Year $ 320,544

See independent auditors' report and accompanying notes to the financial statements.
# Schedule of Expenditures of Federal Awards

**Year Ended December 31, 2018**

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</th>
<th>Federal CFDA Number</th>
<th>Pass-through Entity Number</th>
<th>Passed Through to Subrecipients</th>
<th>Total Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Agriculture / National Institute of Food and Agriculture; Food Insecurity Nutrition Incentive Grants Program</td>
<td>10.331</td>
<td>2017-70025-26693</td>
<td>$ -</td>
<td>$ 98,241</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total U.S. Department of Agriculture</td>
</tr>
<tr>
<td>U.S. Department of Health and Human Services / Rhode Island Department of Health / State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors (PPHF)</td>
<td>93.757</td>
<td>NU58DP005511</td>
<td>107,949</td>
<td></td>
</tr>
<tr>
<td>Rhode Island Executive Office of Health and Human Services / Ryan White Part B HIV Provision of Care / Administration &amp; Technical Assistance to Deliver Early Intervention Services and Housing Services / Ryan White Rebate Funds Program</td>
<td>none</td>
<td>17-HIV-COEXIST-05</td>
<td>713,965</td>
<td>1,406,174</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total U.S. Department of Health and Human Services</td>
</tr>
</tbody>
</table>

**Total Expenditures of Federal Awards** | $ 713,965 | $ 1,612,364 |

## NOTE 1 - Basis of Presentation

This schedule of expenditures of federal awards (the "Schedule") includes the federal activity of The Rhode Island Public Health Foundation under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)." Because the Schedule presents only a selected portion of the operations of The Rhode Island Public Health Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Rhode Island Public Health Foundation.

## NOTE 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## NOTE 3 - De Minimis Indirect Cost Rate

The Rhode Island Public Health Foundation has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
THE RHODE ISLAND PUBLIC HEALTH FOUNDATION  
d/b/a RHODE ISLAND PUBLIC HEALTH INSTITUTE  

Notes to Financial Statements  
December 31, 2018

1. Nature of the Business and Summary of Significant Accounting Policies:

Nature of the Business

The Rhode Island Public Health Foundation, d/b/a Rhode Island Public Health Institute (the “Organization”) was established under the State of Rhode Island regulation Title 23, Chapter 23-1, Section 23-1-41, and was incorporated on November 9, 1993 for the purpose of obtaining and expediting competitive public health research, development, and innovative projects and programs funded by the federal government and private foundations.

The Organization’s mission is to promote community health and to eliminate health disparities in Rhode Island and beyond. The Organization develops innovative public health programs, conducts translational and policy research; and trains students and public health practitioners.

The Organization’s activities, as organized into the following programs, reflect a commitment to developing effective, evidence-based interventions that create positive change in communities:

Chronic Disease Prevention Programs – the Organization oversees several chronic disease prevention and care programs and related policy initiatives. These include several programs related to promoting access to healthy fruits and vegetables, active living, public education in public schools, and geographically focused health promotion programs. The Organization oversees the Food on the Move program, a Mobile produce market that serves many low income Rhode Islanders. The Organization recently commenced diabetes prevention programs, and many of the programs focus on serving low income Rhode Islanders, older adults, and people of color.

Infectious Disease Programs – the Organization oversees several infectious disease prevention, treatment and care programs. This has included HIV and hepatitis C screening treatment and care programs, as well as programs focused on reducing transmission of several sexually transmitted diseases. The Organization also oversees programs that support HIV screening and treatment programs and public health partnerships with faith institutions and African-American churches in particular.

Public Health Training Programs – the Organization sponsors several programs related to training the public health workforce and public health practitioners. The Organization also evaluates and publishes about many of its innovative public health programs.
1. Nature of the Business and Summary of Significant Accounting Policies: (Continued)

Nature of the Business (Continued)

On December 21, 2018, the Organization obtained the use of the fictitious name of “Open Door Healthcare” in connection with a clinic that is scheduled to open in the Fall of 2019. Open Door Healthcare will be a healthcare center that provides high-quality, culturally congruent health care to RI’s LGBTQ population, as well as the broader community. The Organization’s vision for Open Door Healthcare is to improve the health and quality of life for members of RI’s LGBTQ population, which faces disparities in access to care and health outcomes. Open Door Healthcare’s work is driven by the Organization’s approach to integrating efforts to advance community health, promote health equity, develop innovative programs and train the public health workforce.

Summary of Significant Accounting Policies

A. Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles as promulgated in the United State of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

B. Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization’s management evaluates the estimates and assumptions based on historical experience and various other factors and circumstances. The Organization’s management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

C. Net Assets:

The financial statements report net assets and changes in net assets in two classes that are based on the existence or absence of restrictions on the uses of funds that are placed by its donors, as follows:
1. Nature of the Business and Summary of Significant Accounting Policies: (Continued)

Summary of Significant Accounting Policies (Continued)

Net Assets Without Donor Restrictions

Net assets without donor restrictions are the resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restrictions will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions may be perpetual in nature; the Organization must continue to use the resources in accordance with the donor’s instructions.

When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of property and equipment, if applicable (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

D. Classification of Transactions:

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or use in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.
1. Nature of the Business and Summary of Significant Accounting Policies:

Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents:

Cash and cash equivalents include all cash balances and short-term investments with original maturities of less than three months, except for those assets designated for long-term investment. At December 31, 2018, there were no cash equivalents.

The Organization maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. At December 31, 2018, approximately $71,500 of cash was in excess of the $250,000 federally insured limits. Approximately $3,000 was held in a PayPal account at year end which is also not federally insured. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash deposits.

F. Conditional Contributions:

Conditional contributions are recorded when substantially all the conditions are met and the contributions become unconditional.

G. Grants Receivable:

The Organization receives a substantial amount of support under cost-reimbursement grant awards. The Organization carries its grants receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its grants receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on its history of past write-offs and collections and current credit conditions. Management considered all receivables collectible as of December 31, 2018.

H. Unconditional Promises to Give:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

I. Contributed Services:

Contributions of services are recognized at fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.
1. Nature of the Business and Summary of Significant Accounting Policies:

   Summary of Significant Accounting Policies (Continued)

   Contributed Services: Continued)

   The Organization receives certain services and donated use of facilities from various entities for their programs. In the year ended December 31, 2018, approximately $70,400 was recognized in the statement of activities as both income and expense.

J. Property and Equipment:

   Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Acquisitions of property and equipment with individual values that equal or exceed $2,500 and with useful lives of greater than one year are capitalized and depreciated using the straight-line method (with half year convention) over estimated useful lives ranging from three to seven years.

   Property and equipment are reviewed for impairment when a significant change in the asset’s use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements of the current period.

K. Revenue Recognition:

   Grants and Contributions

   The Organization recognizes grants and contributions in the year in which the grant or contribution is made. Contributions are recorded either as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Restricted grants and contributions are classified as net assets without donor restrictions if the restrictions are satisfied in the same reporting period in which the contributions are received.

L. Expense Recognition and Allocation:

   The cost of providing the Organization’s programs and other activities is summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:
1. Nature of the Business and Summary of Significant Accounting Policies:

Summary of Significant Accounting Policies (Continued)

L. Expense Recognition and Allocation: (Continued)

- Salaries and wages, payroll taxes and employee benefit costs are allocated based on activity reports or estimates prepared by key personnel.
- Occupancy costs are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Other costs, including community outreach and outside fees for services are directly charged to the respective functions using specific identification.

When programs are added or service efforts change, the bases on which costs are allocated are evaluated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Additionally, advertising costs are expensed as incurred.

M. Income Taxes:

The Internal Revenue Service has determined the Organization is generally exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and has classified the Organization as one that is not a private foundation.

The Organization evaluates all significant tax positions as required by accounting principles generally accepted in the United States. As of December 31, 2018, the Organization does not believe it has taken any tax positions that would require the recognition of a tax liability or any unrealized tax benefit that would either increase or decrease within the next twelve months. Tax years that are open for examination by taxing authorities are generally the last three tax year-ends after the filing of the returns.
2. **Liquidity and Availability:**

As of December 31, 2018, the following table shows the total financial assets held by the Organization and the amounts of those financial assets that could be made available within one year of the statement of financial position date to meet general expenditures (i.e., without donor or other restrictions limiting their use within one year):

Financial Assets at Year-End:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 320,544</td>
</tr>
<tr>
<td>Grants and Unconditional Promises to Give</td>
<td>$ 350,981</td>
</tr>
<tr>
<td><strong>Total Financial Assets at Year-End</strong></td>
<td><strong>$ 671,525</strong></td>
</tr>
<tr>
<td>Less Financial Assets Committed to Subrecipient Grantees</td>
<td>(141,862)</td>
</tr>
</tbody>
</table>

**Amount Available for General Expenditures Within One Year**

$ 392,853

To help manage unanticipated liquidity needs, the Organization has entered into a line of credit agreement. See Note 3 below.

3. **Line of Credit:**

The Organization has available a $100,000 line of credit at the current prime interest rate plus 1.75 percentage points. There were no borrowings during the year ended December 31, 2018.

4. **Net Assets With Donor Restrictions:**

Net Assets With Donor Restrictions are available for the following purposes at year end:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food on the Move / Chronic Disease Prevention</td>
<td>$136,910</td>
</tr>
<tr>
<td><strong>Net Assets With Donor Restrictions</strong></td>
<td><strong>$136,910</strong></td>
</tr>
</tbody>
</table>

5. **Net Assets Released from Restrictions:**

Net Assets With Donor Restrictions were released from restriction for the following purposes at year end:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase and Retrofit of Truck and Trailer for Food on the Move</td>
<td>$ 9,596</td>
</tr>
<tr>
<td>Food on the Move / Chronic Disease Prevention Program</td>
<td>380,468</td>
</tr>
<tr>
<td><strong>Net Assets Released from Restriction</strong></td>
<td><strong>$390,064</strong></td>
</tr>
</tbody>
</table>
6. **Lease and Other Future Commitments:**

Effective October 1, 2017, the Organization entered into a three-year lease agreement for office space in Providence, Rhode Island with monthly payments as follows: October 2017 – September 2018 - $3,350 per month; October 2018 – September 2019 - $3,475 per month; and October 2019 – September 2020 - $3,600 per month.

Effective December 1, 2018, the Organization entered into a five-year lease agreement for the Open Door Healthcare clinic facilities in Providence, Rhode Island, with monthly payments as follows: December 2018 – November 2019 - $3,350 per month; December 2019 – November 2020 - $3,350 per month; December 2020 – November 2021 - $3,500 per month; December 2021 – November 2022 - $3,500 per month; and December 2022 – November 2023 - $3,700 per month. This agreement also has a clause for a tenant improvement allowance that can reduce the rent expense by $256 per month for the five-year term, and for an additional eighteen months of a renewal term; at the date of the auditors’ report, the Organization has not yet exercised this option. The clinic, to operate under the fictitious name “Open Door Healthcare”, is expected to open in the Fall of 2019.

Rent expense under these formal agreements was $45,545 for the year ended December 31, 2018.

The Organization has also entered into a 39-month lease agreement for office equipment with a monthly payment of $135 through December 2020.

Future minimum lease payments under all lease agreements are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$80,545</td>
</tr>
<tr>
<td>2020</td>
<td>74,370</td>
</tr>
<tr>
<td>2021</td>
<td>42,000</td>
</tr>
<tr>
<td>2022</td>
<td>42,200</td>
</tr>
<tr>
<td>2023</td>
<td>40,700</td>
</tr>
</tbody>
</table>

$279,815

In March 2019, the Organization entered into an agreement with a contractor to renovate the facilities to be used for the Open Door Healthcare clinic in an approximate amount of $305,000.

7. **Economic Dependency:**

The continued operation of the Organization is dependent upon the continued receipt of grant funds from both the federal and state governments, and other grants and contributions that can be used to fund operating and project/program expenses.
8. **Subsequent Events Evaluation:**

The Organization has evaluated subsequent events through July 18, 2019, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.
Fiscal year-end December 31, 2018 is the first year The Rhode Island Public Health Foundation has required reporting obligations under the Uniform Guidance. Therefore, there are no prior audit findings to report.
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
The Rhode Island Public Health Foundation
d/b/a Rhode Island Public Health Institute
Providence, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of The Rhode Island Public Health Foundation (a Rhode Island non-profit corporation), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Rhode Island Public Health Foundation’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Rhode Island Public Health Foundation’s internal control. Accordingly, we do not express an opinion on the effectiveness of The Rhode Island Public Health Foundation’s internal control.

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 a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Rhode Island Public Health Foundation’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Exeter, Rhode Island
July 18, 2019
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
The Rhode Island Public Health Foundation
d/b/a Rhode Island Public Health Institute
Providence, Rhode Island

Report on Compliance for Each Major Federal Program

We have audited The Rhode Island Public Health Foundation’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of The Rhode Island Public Health Foundation’s major federal programs for the year ended December 31, 2018. The Rhode Island Public Health Foundation’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for each of The Rhode Island Public Health Foundation’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Rhode Island Public Health Foundation’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Rhode Island Public Health Foundation’s compliance.
Opinion on Each Major Federal Program

In our opinion, The Rhode Island Public Health Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of The Rhode Island Public Health Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Rhode Island Public Health Foundation’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Rhode Island Public Health Foundation’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Caliri, Mancini & Barbieri, PC

Exeter, Rhode Island
July 18, 2019
SECTION I - SUMMARY OF AUDITORS’ RESULTS

1. The auditors’ report expresses an unmodified opinion on whether the financial statements of The Rhode Island Public Health Foundation were prepared in accordance with GAAP.

2. There were no deficiencies related to the audit of the financial statements reported in the Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

3. No instances of noncompliance material to the financial statements of The Rhode Island Public Health Foundation, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. There were no significant deficiencies or material weaknesses in internal control over major federal award programs disclosed.

5. The auditors’ report on compliance for the major federal award programs for The Rhode Island Public Health Foundation expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.

7. The programs tested as major programs were: CFDA No. – none, Ryan White Part B HIV Provision of Care/Administration & Technical Assistance to Deliver Early Intervention Services and Housing Services / Ryan White Rebate Funds Program.

8. The threshold used for distinguishing between Type A and Type B programs was $750,000.

9. The Rhode Island Public Health Foundation did not qualify as a low-risk auditee.

SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS

NONE

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE
CORRECTIVE ACTION PLAN
July 18, 2019

Department of Health and Human Services

Since there are no audit findings for the year ended December 31, 2018, The Rhode Island Public Health Foundation does not have any corrective action plan to report.

Name and address of independent public accounting firm: Caliri, Mancini & Barbieri, PC
P.O. Box 207
Exeter, RI 02822

Audit period: Year ended December 31, 2018