

MAPLE CITY  
H E A L T H  
C A R E  
C E N T E R

**ANNUAL REPORT**  
**December 31, 2019**

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**ANNUAL REPORT**

December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Maple City Health Care Center, Inc. d/b/a Vista Community Health Center  
Goshen, Indiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Maple City Health Care Center, Inc. d/b/a Vista Community Health Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, 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.

### **Auditor's 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 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 audits 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 auditor's 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 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.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maple City Health Care Center, Inc. d/b/a Vista Community Health Center as of December 31, 2019 and 2018, 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

### *Other Information*

Our audits were 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 audits 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 June 23, 2020, on our consideration of Maple City Health Care Center, Inc. d/b/a Vista Community Health Center'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 solely 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 the effectiveness of Maple City Health Care Center, Inc. d/b/a Vista Community Health Center's 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 Maple City Health Care Center, Inc. d/b/a Vista Community Health Center's internal control over financial reporting and compliance.

Respectfully submitted,



Certified Public Accountants

Elkhart, Indiana  
June 23, 2020

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**STATEMENTS OF FINANCIAL POSITION**

December 31, 2019 and 2018

	<u><b>2019</b></u>	<u><b>2018</b></u>
<u><b>ASSETS</b></u>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	45,710	303,897
Patient receivables, net	715,808	879,733
Grants receivable	217,335	110,778
Accounts receivable	39,391	0
Final settlements due from third-party payors	79,881	27,568
Notes receivable, current portion	45,529	44,958
Contributed rent receivable, current portion	1,019,324	204,890
Prepaid expenses	263,616	22,018
Total Current Assets	2,426,594	1,593,842
<b>PROPERTY AND EQUIPMENT</b>		
Land and land improvements	622,162	586,752
Buildings and building improvements	1,446,881	1,081,139
Furniture and equipment	207,271	196,998
Total	2,276,314	1,864,889
Accumulated depreciation	(647,995)	(566,625)
Net Property and Equipment	1,628,319	1,298,264
<b>OTHER ASSETS</b>		
Contributed rent receivable, net of current portion	0	987,023
Notes receivable, net of current portion	165,719	212,074
<b>TOTAL ASSETS</b>	<b>4,220,632</b>	<b>4,091,203</b>

*The Notes to Financial Statements are an integral part of this statement.*

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**STATEMENTS OF FINANCIAL POSITION**

December 31, 2019 and 2018

	<u><b>2019</b></u>	<u><b>2018</b></u>
<u><b>LIABILITIES AND NET ASSETS</b></u>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	12,643	6,247
Accounts payable	138,530	132,248
Accrued expenses	337,555	288,205
Final settlements due to third-party payors	36,307	139,170
<b>Total Current Liabilities</b>	<b>525,035</b>	<b>565,870</b>
<b>LONG-TERM DEBT</b>		
Notes payable	239,046	112,225
<b>Total Long-Term Debt</b>	<b>239,046</b>	<b>112,225</b>
<b>TOTAL LIABILITIES</b>	<b>764,081</b>	<b>678,095</b>
<b>NET ASSETS</b>		
Without donor restrictions	2,051,227	2,184,227
With donor restrictions	1,405,324	1,228,881
<b>TOTAL NET ASSETS</b>	<b>3,456,551</b>	<b>3,413,108</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>4,220,632</b>	<b>4,091,203</b>

*The Notes to Financial Statements are an integral part of this statement.*

**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Net patient service fees	3,846,550	0	3,846,550
Federal grants	3,147,519	0	3,147,519
Nonfederal grants	347,441	386,000	733,441
Contracts	191,226	0	191,226
Contributions	76,687	0	76,687
In-kind contributions	415,034	0	415,034
Other income	102,994	0	102,994
<b>Total Revenue</b>	<b>8,127,451</b>	<b>386,000</b>	<b>8,513,451</b>
Net assets released from restrictions:			
Satisfaction of restrictions	209,557	(209,557)	0
<b>FUNCTIONAL EXPENSES</b>			
Program	7,099,423	0	7,099,423
Management and general	1,370,585	0	1,370,585
<b>Total Functional Expenses</b>	<b>8,470,008</b>	<b>0</b>	<b>8,470,008</b>
<b>CHANGE IN NET ASSETS</b>	<b>(133,000)</b>	<b>176,443</b>	<b>43,443</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,184,227</b>	<b>1,228,881</b>	<b>3,413,108</b>
<b>NET ASSETS, END OF YEAR</b>	<b>2,051,227</b>	<b>1,405,324</b>	<b>3,456,551</b>

*The Notes to Financial Statements are an integral part of this statement.*

**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Net patient service fees	3,583,980	0	3,583,980
Federal grants	2,706,363	0	2,706,363
Nonfederal grants	407,360	12,469	419,829
Contracts	99,478	0	99,478
Contributions	72,670	24,499	97,169
In-kind contributions	330,385	0	330,385
Debt forgiveness income	200,000	0	200,000
Other income	63,663	0	63,663
<b>Total Revenue</b>	<b>7,463,899</b>	<b>36,968</b>	<b>7,500,867</b>
Net assets released from restrictions:			
Satisfaction of restrictions	168,035	(168,035)	0
<b>FUNCTIONAL EXPENSES</b>			
Program	6,868,579	0	6,868,579
Management and general	1,319,324	0	1,319,324
<b>Total Functional Expenses</b>	<b>8,187,903</b>	<b>0</b>	<b>8,187,903</b>
<b>CHANGE IN NET ASSETS</b>	<b>(555,969)</b>	<b>(131,067)</b>	<b>(687,036)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,740,196</b>	<b>1,359,948</b>	<b>4,100,144</b>
<b>NET ASSETS, END OF YEAR</b>	<b>2,184,227</b>	<b>1,228,881</b>	<b>3,413,108</b>

*The Notes to Financial Statements are an integral part of this statement.*



**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended December 31, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	3,586,718	852,702	4,439,420
Payroll taxes	274,618	65,565	340,183
Retirement plan contributions	277,676	66,295	343,971
Employee benefits	915,080	219,754	1,134,834
Medical expenses	1,357,112	0	1,357,112
Miscellaneous patient services	37,013	0	37,013
Professional fees	0	24,322	24,322
Computer equipment and support	128,718	30,731	159,449
Occupancy	315,563	38,630	354,193
Conference and meetings	49,502	14,310	63,812
Depreciation	72,912	8,926	81,838
Malpractice insurance	3,989	0	3,989
Office expenses	53,598	31,474	85,072
Charitable contributions	5,150	0	5,150
Bad debt recovery	(12,746)	0	(12,746)
Dues and subscriptions	34,520	8,242	42,762
Interest expense	0	9,634	9,634
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>7,099,423</b>	<b>1,370,585</b>	<b>8,470,008</b>

*The Notes to Financial Statements are an integral part of this statement.*

**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended December 31, 2018

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	3,417,801	796,769	4,214,570
Payroll taxes	261,540	61,190	322,730
Retirement plan contributions	269,676	63,093	332,769
Employee benefits	929,046	217,359	1,146,405
Medical expenses	1,302,237	0	1,302,237
Miscellaneous patient services	19,775	0	19,775
Professional fees	0	22,415	22,415
Computer equipment and support	115,554	66,008	181,562
Occupancy	317,410	39,688	357,098
Conference and meetings	40,958	12,540	53,498
Depreciation	65,009	7,958	72,967
Malpractice insurance	3,280	0	3,280
Office expenses	59,753	23,217	82,970
Charitable contributions	5,508	0	5,508
Bad debt expense	27,042	0	27,042
Dues and subscriptions	33,990	7,952	41,942
Interest expense	0	1,135	1,135
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>6,868,579</b>	<b>1,319,324</b>	<b>8,187,903</b>

*The Notes to Financial Statements are an integral part of this statement.*

**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2019 and 2018

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	43,443	(687,036)
Adjustments to reconcile net change in net assets to net cash from operating activities:		
Depreciation	81,838	72,967
Debt forgiveness income	0	(200,000)
Contributed rent expense, net of amortized discount of \$32,301 and \$36,855 for the years 2019 and 2018, respectively	172,589	168,035
Loans forgiven	31,050	27,929
Provision for bad debts	(13,000)	0
Adjustments for changes in operating assets and liabilities:		
Patient receivables	176,925	492,660
Grants receivable	(106,557)	45,273
Accounts receivable	(39,391)	0
Final settlements due from third-party payors	(52,313)	(27,568)
Prepaid expenses	(241,598)	(7,883)
Accounts payable	6,282	(16,202)
Accrued expenses	49,350	13,481
Final settlements due to third-party payors	(102,863)	139,170
Net Cash Flows from Operating Activities	5,755	20,826
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(268,643)	(34,060)
Loans made	(7,476)	(8,360)
Collections on loans	22,210	8,838
Net Cash Flows used in Investing Activities	(253,909)	(33,582)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	0	120,000
Payments on note payable	(10,033)	(1,528)
Net Cash Flows from Financing Activities	(10,033)	118,472
<b>CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(258,187)	105,716
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR</b>	303,897	198,181
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR</b>	<b>45,710</b>	<b>303,897</b>
<b>SUPPLEMENTARY DISCLOSURE OF CASH FLOWS</b>		
Interest paid	9,634	1,135
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES</b>		
Purchase of property and equipment through debt financing	143,250	0

*The Notes to Financial Statements are an integral part of this statement.*

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NATURE OF BUSINESS**

Maple City Health Care Center, Inc. (the "Organization"), was incorporated and commenced operations as a not-for-profit organization in August 1988 under the laws of the State of Indiana. The Organization operates as a Federally Qualified Health Center (FQHC) to deliver comprehensive outpatient primary health care services to a medically underserved population, primarily within Elkhart County, Indiana, including ancillary and supplemental health services, preventative health services, and pharmacy services without regard to age, gender, or income. The Organization charges for services rendered, using a sliding fee scale, based on income levels and insurance coverage. The Organization operates under the assumed business name "Vista Community Health Center".

The Organization has also incorporated Northside Community Health Care Center, Inc. (NCHCC), an Indiana not-for-profit corporation. During 2016, NCHCC's application for exemption was accepted by the Internal Revenue Service (IRS). NCHCC was formed to provide health care in the Goshen, Indiana community. The Organization controls the board of directors of NCHCC. NCHCC had not commenced operations as of December 31, 2019.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PRESENTATION**

The financial statements of the Organization have been prepared on the accrual basis.

The Organization adheres to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, which sets standards for reporting on financial statements of not-for-profit organizations. ASC 958-205 requires the classification and presentation of net assets in two categories: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**CASH AND CASH EQUIVALENTS**

For purposes of the Statements of Financial Position, the Organization considers all highly liquid investments without donor restrictions with an initial maturity of three months or less to be cash equivalents. Cash is held at a local bank and is insured up to the limits of the FDIC. It is common throughout the course of operations for the Organization's cash balance to exceed the insured limit.

At December 31, 2018, the Organization had \$24,499 of restricted cash which was classified as a current asset and restricted for use for the purposes described in Note 8. During 2019, the Organization received donor restricted gifts of \$386,000 as reflected on the Statements of Activities, including cash received of \$271,000 which was not expended as of year-end. At December 31, 2019, the Organization's total cash on hand was only \$45,710, indicating that it has borrowed against restricted gifts to fund operations as of that date.

**GRANTS RECEIVABLE**

Support received under governmental grants is recorded based on expenses incurred or based on a fix rate. Grants receivable represent amounts due for expenses incurred or units serviced prior to year end, and are considered fully collectible by management. The Organization uses the allowance method to determine uncollectible grants receivable. Management has determined no allowance for doubtful accounts is necessary for grants receivable at December 31, 2019 or 2018.

**PREPAID EXPENSES**

The Organization has capitalized certain costs for the implementation of an electronic health record hosting arrangement that is classified as a service contract under GAAP. The implementation was not complete as of December 31, 2019, therefore the amortization period of the capitalized costs has not commenced. Capitalized costs of \$247,103 are included in Prepaid expenses in the Statements of Financial Position for the year ended December 31, 2019 in accordance with the accounting standards applicable to software hosting arrangements.

**PROPERTY AND EQUIPMENT**

Donations of property and equipment are recorded as current support at their estimated fair value 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. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Purchased property and equipment are stated at cost. Expenditures for additions, improvements and replacements are added to the property and equipment accounts. Repairs and maintenance are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses arising from the disposition are reflected in income.

Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$81,838 and \$72,967 for the years ended December 31, 2019 and 2018, respectively. The Organization had \$232,240 and \$5,000 of construction in progress which was not depreciated as of December 31, 2019 and 2018, respectively.

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

A summary of the range of lives by asset category follows:

Land improvements	15 years
Buildings and building improvements	7 - 39 years
Furniture and equipment	3 - 7 years

**REVENUE AND PATIENT RECEIVABLES**

*Net patient service fees revenue*

The Organization has agreements with third-party payors that provide for payments to the Organization in amounts different from its established rates. Payment arrangements include prospectively determined rates per encounter, reimbursed costs, discounted charges, and per diem payments. Net patient service fees revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and the evaluation of variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. The estimate of implicit price concessions is based on historical collection experience with the various payor classes using a portfolio approach as a practical expedient to account for patient contracts with similar characteristics, as collective groups rather than individually. The financial statement effect of using this practical expedient is not materially different from an individual contract approach. In the ordinary course of business, the Organization renders services to patients who are financially unable to pay for healthcare. The Organization provides care to these patients under its sliding fee discount policy without charge or at amounts less than the established rates. Revenue is recognized according to the date of patient encounter. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in the year of settlement and included in Net patient service fees revenue in the Statements of Activities.

A summary of the payment arrangements with major third-party payors follows:

**Medicaid:** Reimbursements for Medicaid services are generally paid at prospectively determined rates per occasion of service. See Note 3 for related description about Medicaid wrap-around payment requests.

**Commercial Insurance and Other:** Payments for services rendered to those payors other than Medicaid or Medicare are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

**Medicare:** Reimbursements for Medicare services are generally paid at prospectively determined rates per occasion of service, less the standard co-insurance amount of 20%. Medicare Advantage Plans pay for services based on established rates or agreements.

**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

As of December 31, the following table reflects the net patient service revenue by major payor groups:

	<u>2019</u>	<u>2018</u>
Medicaid	2,518,599	2,161,687
Commercial insurance	732,631	739,818
Private pay	426,249	496,177
Medicare	136,250	142,267
Other	32,821	44,031
<b>Net patient service fees</b>	<b>3,846,550</b>	<b>3,583,980</b>

The Organization has elected the practical expedient and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that services will be one year or less. However, the Organization does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

*Patient Receivables*

Patient receivables consist primarily of unpaid amounts billed to patients and third-party payors and are stated at the amount management expects to collect from outstanding balances. Contractual adjustments, discounts, and an allowance for doubtful accounts are recorded to report receivables for health care services at net realizable value. Patient receivables are presented net of allowance for doubtful accounts, which is estimated to be \$5,000 and \$18,000 at December 31, 2019 and 2018, respectively. Factors considered in determining collectibility include past collection history, an aged analysis of receivables, and management's experience and knowledge of the industry and their clientele. The Organization grants credit without collateral to its patients and does not accrue interest on any patient receivables.

The following is a summary of patient receivables at December 31:

	<u>2019</u>	<u>2018</u>
Gross insurance receivables	262,757	355,515
Gross self-pay patient receivables	117,177	185,321
Gross Medicaid wrap-around payments	484,433	551,104
Estimated contractual allowances	(143,559)	(194,207)
<u>Allowance for doubtful accounts</u>	<u>(5,000)</u>	<u>(18,000)</u>
<b>Total</b>	<b>715,808</b>	<b>879,733</b>

*Contracts*

The Organization has a capitation agreement in which it receives monthly payments for retaining as patients employees of the other party in the agreement. The monthly amount is based on a fixed rate per individual. Capitation revenue is earned as a result of agreeing to provide goods and services to qualified beneficiaries on a monthly basis, and not as a result of actually providing the patient care services to beneficiaries. Therefore, revenue is recognized as each month of service passes. Capitation revenue is \$33,926 and \$31,420 for the years ended December 31, 2019 and 2018, respectively.

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

The Organization is also subject to cost-savings sharing arrangements for which payments are received in arrears. If an entity determines that it cannot estimate this amount such that it is probable that a significant revenue reversal would not occur upon resolution of the final amounts, the portion of consideration that is variable should be excluded from the transaction price until it becomes probable that there will not be a significant reversal of cumulative revenue recognized. Because of this constraint, the Organization recognizes these revenues as payments are received unless the Organization determines it has sufficient data such that it is probable that a significant revenue reversal would not occur upon resolution of the final amount. No estimated receivables of this type are recorded for the years ended December 31, 2019 and 2018. Related revenue is \$174,070 and \$93,711 for the years ended December 31, 2019 and 2018, respectively.

*Other income*

Included in Other income are amounts the Organization receives for returning expired medications. These revenues are recognized at the point the medications are returned. Related revenue is \$94,626 and \$54,584 for the years ended December 31, 2019 and 2018, respectively.

**CONTRIBUTIONS**

The Organization records contributions, including promises to give, when the contribution is deemed unconditional. Contributions are reflected in the financial statements at the earlier of the transfer of the assets or at the time an unconditional promise to give is made.

The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on management's analysis of specific promises made. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Gifts received that have conditions yet to be met are recorded as refundable advances.

Contributions received are considered to be available for current use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are received.



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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

Included in Nonfederal grants revenue in the Statements of Activities are funds relating to the Organization's participation in the Medicaid EHR Incentive Program. The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act ("HITECH"). These provisions were designed to increase the use of electronic health records ("EHR") technology and establish the requirements for a Medicare and Medicaid incentive payments program for eligible hospitals and providers that adopt and meaningfully use certified EHR technology. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. Providers must demonstrate meaningful use of the technology in subsequent years to qualify for additional incentive payments. Medicaid incentive payments are funded by the federal government and administered by the states. States are not required to offer EHR incentive payments to providers. The Organization is participating in the State of Indiana's Medicaid EHR program. The Organization received \$68,000 and \$93,500 during the years ended December 31, 2019 and 2018, respectively.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated between program and supporting services based upon personnel time and space utilized for the related activities.

Significant expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages; payroll taxes; employee benefits; retirement contributions; office expenses; dues and subscriptions; conference and meetings; computer equipment and support	Time and Effort
Depreciation; occupancy	Square Footage

All other allocated expenses are allocated based on estimated actual usage or direct assignment.

**INCOME TAXES**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that the Organization is not a private foundation within the meaning of Section 509(a).

The Income Taxes Topic, FASB ASC 740, clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. ASC 740 requires an entity to disclose the nature of uncertain tax positions taken, if any, when filing its income tax return utilizing a two-step process to recognize and measure any uncertain tax positions taken. The Organization recognizes a tax benefit only if it is more likely than not the position would be sustained in a tax examination, with a tax examination being presumed to occur. No tax benefit will be recorded on tax positions not meeting the more likely than not test. Interest and penalties accrued or incurred, if any, as a result of applying ASC 740 will be recorded to interest expense and other expense, respectively.

Based on its evaluation, the Organization has concluded that there are no uncertain tax positions requiring recognition in its financial statements. The Organization's evaluation was performed for all federal and state tax periods still subject to examination. The Organization's 2016 through 2018 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS**

On November 17, 2016, the FASB issued Accounting Standards Update 2016-18, *Restricted Cash (Topic 230)* (“ASU 2016-18”), which addresses classification and presentation of changes in restricted cash on the Consolidated Statements of Cash Flows. ASU 2016-18 requires an entity’s reconciliation of the beginning-of-period and end-of-period total amounts shown on the statement of cash flows to include in cash and cash equivalents amounts generally described as restricted cash and restricted cash equivalents. ASU 2016-18 is effective for public business entities for annual periods beginning after December 15, 2017 and interim periods within those fiscal years. It is effective for annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 for all other entities. The Organization adopted ASU 2016-18 for the fiscal year ended December 31, 2019 using a retrospective transition method for each period presented.

On May 28, 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and later, various subsequent amendments (collectively “ASC 606”). This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition, including industry-specific guidance. ASC 606 requires that revenue is recognized when a customer obtains control of a good or service, which is when a customer has the ability to direct the use of and obtain benefits of the good or service. ASC 606 is effective for annual periods beginning after December 15, 2018. Subsequent to year end, the required effective date was extended for one additional year. However, the Organization has elected to adopt ASC 606 for the fiscal year ended December 31, 2019 using the modified retrospective method applied to all contracts not completed as of January 1, 2019. Prior period amounts continue to be reported in accordance with legacy GAAP. The adoption of ASC 606 did not result in a material change in the accounting for any revenue streams. As such, no cumulative effect adjustment was recorded.

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The standard was intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. ASU 2018-08 is effective for resource recipients for annual periods beginning after December 15, 2018. The Organization adopted ASU 2018-08 for the fiscal year ended December 31, 2019. The adoption of this ASU did not result in any material changes in the accounting for contributions received.

On August 29, 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The standard was intended to align the requirements for capitalizing implementation costs for hosting arrangements (services) with costs for internal-use software (assets). ASU 2018-15 is effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. For all other entities, the amendments are effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. The Organization elected to adopt this ASU for the year ended December 31, 2019. The amendments have been applied prospectively. As a result, capitalized implementation costs are reflected in Prepaid expenses on the Statements of Financial Position for the year ended December 31, 2019.

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
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Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**RECENT ACCOUNTING PRONOUNCEMENT**

On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization adopted the ASU and adjusted the presentation of the financial statements to comply with this ASU in the year ended December 31, 2018.

**RECLASSIFICATIONS**

Certain items in the 2018 financial statements have been reclassified to conform with the 2019 presentation. The reclassifications have no effect on total assets, liabilities, net assets, changes in net assets, or net cash flows as previously reported.

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

The Organization has working capital of \$882,235 and \$823,082 as of December 31, 2019 and 2018, respectively. All cash on hand at December 31, 2019 is restricted by donors. The Organization had average days cash on hand of 13 as of December 31, 2018.

The table below represents financial assets available for general expenditures within one year at December 31:

Financial assets at year end:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	45,710	303,897
Patient receivables, net	715,808	879,733
Grants receivable	217,335	110,778
Notes receivable	211,248	257,032
Accounts receivable	39,391	0
Final settlements due from third party payors	79,881	27,568
Subtotal financial assets:	1,309,373	1,579,008
Less assets limited to use:		
Donor restricted cash and cash equivalents	(271,000)	(24,499)
Donor restricted grants receivable	(115,000)	(12,469)
Loan proceeds designated for solar panels	0	(118,472)
Total assets not limited to use:	923,373	1,423,568
Less amounts not available to be used within one year:		
Notes receivable, long-term	(165,719)	(212,074)
Financial assets available to meet general expenditures within one year:	757,654	1,211,494

The Organization has certain donor restricted assets limited to use which will be subject to expenditure within one year in the course of operations (Note 8). These assets have been subtracted in the quantitative information above to arrive at the total of financial assets to meet general expenditures within one year.

The Organization's federal grant year runs from June 1 to May 31. During that time, the Organization is able to draw down cash as needed to pay allowable costs. The turn-around time from request for draw down to cash receipt is 24 hours resulting in readily available cash to pay qualifying expenses.

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

The Organization maintains a \$500,000 line of credit with a local credit union as described in Note 6. The Organization utilizes the line of credit in May and June to bridge the gap between grant years. The Organization is then typically able to pay the line of credit in full by late summer.

The Organization's goal is to set aside 3 - 4% of the Organization's annual income to build up cash reserves to get to 30 days cash on hand. That has been a challenge over the past several years, but a goal the Organization will keep working to achieve.

**NOTE 3 - FQHC STATUS AND WRAP-AROUND PAYMENTS**

The Organization became a FQHC on June 1, 2012 and its Prospective Payment System (PPS) rate was set in January 2013. The Organization is able to request wrap-around payments for the difference between what Medicaid has already paid the Organization, at a lower rate, and newly established PPS rates. Those payments for encounters in 2019 and 2018 are recorded as receivables at December 31, 2019 and 2018, respectively.

Revenue from the Medicaid program accounted for approximately 65% and 60% of the Organization's net patient service fees revenue for the years ended December 31, 2019 and 2018, respectively. Receivables from the Medicaid program were \$452,806 and \$506,213 at December 31, 2019 and 2018, respectively.

Included in Final settlements due to third-party payors at December 31, 2019 is \$36,307 related to a 2016 Medicaid settlement. Included in Final settlements due from third-party payors at December 31, 2019 is \$79,881 related to a 2015 Children's Health Insurance Program ("CHIP") settlement, 2016 CHIP settlement, and 2015 Medicaid settlement. Included in Final settlements due to third-party payors at December 31, 2018 is \$139,170 related to a 2013 Medicaid settlement. Included in Final settlements due from third-party payors at December 31, 2018 is \$27,568 related to a 2013 CHIP settlement.

**NOTE 4 - PROMISES TO GIVE - DONATED FACILITIES**

Goshen Hospital agreed to lease a renovated medical facility to the Organization for \$1 per year under a lease that was scheduled to expire January 1, 2025. The Organization recorded the contribution of facilities of \$1,727,103 net of the discount of \$321,797 in a previous period. Under the lease, the Organization is primarily responsible for maintenance, utilities, taxes, and insurance.

The Organization has recorded a receivable of \$1,019,324 and \$1,191,913 at December 31, 2019 and 2018, respectively, representing the remaining fair market value of the contributed rent discounted at 2.71% under the current agreements. Subsequent to year end, Goshen Hospital donated the medical facility to the Organization and transferred title.

As a result, the entire remaining amount of net asset with donor restrictions will be released during 2020 as follows:

Remaining unamortized contribution	1,142,122
Less remaining present value discount at 2.71%	(122,798)
<b>Total</b>	<b>1,019,324</b>

Accordingly, the remainder of the lease will be released from restrictions in 2020.

**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE 5 - NOTES RECEIVABLE**

Notes receivable is comprised of the following at December 31:

	<u>2019</u>	<u>2018</u>
Unsecured note receivable with a credit limit of \$100,000 bearing interest at a rate of 3%. Repayment is deferred as long as the debtor is employed with the Organization. For every year of employment, the Organization will cancel \$25,000 of debt. Upon employee termination, repayment will be amortized with equal monthly payments over five years.	19,804	43,542
Unsecured note receivable with a credit limit of \$32,000 per year while debtor was enrolled in an accredited nurse practitioner program. The note bears interest at a rate of 3%. Repayment started three months after completion of graduate school studies in May 2018. Repayment will be deferred as long as debtor is employed with the Organization. For every year of employment as a nurse practitioner, debt will be cancelled at an amount equal to 9% of the debtor's salary.	4,597	10,347
Unsecured note receivable with a credit limit of \$50,000 per year while debtor is in medical school with a maximum amount of \$200,000 (not including accrued interest). The note bears interest at a rate of 3%. Repayment began in October 2016 in monthly installments of \$2,210 over 10 years. A 1-year deferral agreement was subsequently established for the period of April 1, 2018 through March 31, 2019. This extends the repayment schedule through January 2028.	186,847	203,143
Total	211,248	257,032
Current portion	45,529	44,958
Net long-term notes receivable	165,719	212,074

Long-term notes receivable, less current portion, is scheduled to be collected as follows for the years ending December 31:

2021	21,770
2022	22,432
2023	23,115
2024	23,818
Thereafter	74,584
Total	165,719

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
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Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE 6 - LINE OF CREDIT**

The Organization maintains a revolving line of credit with a local credit union that matures in June 2020. The line of credit is subject to a borrowing base agreement. The amount available to be borrowed is the lesser of (1) \$500,000 or (2) a sliding percentage of accounts receivable based on aging categories. Quarterly statements must be provided to the local credit union. Interest is charged at 6.74%. The line of credit is secured by substantially all of the Organization's property and equipment. There were no outstanding borrowings at December 31, 2019 or 2018. In January 2020, the line of credit was increased to \$750,000 under the same terms.

**NOTE 7 - LONG-TERM DEBT**

Long-term debt consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
In September 2018, the Organization executed a \$120,000 promissory note payable agreement with a local Co-Op to finance the future installation of solar panels. The note payable bears interest at 3.50% and requires monthly payments of \$858 through September 2033. The note is secured by the financed equipment.	112,225	118,472
In February 2019, the Organization executed a \$93,750 promissory note payable agreement with a local credit union to finance the purchase of a building. The note bears interest at 6.38% for the first three years and thereafter transitions to a rate based on the Adjustable Rate Mortgage index as reported by the Federal Housing Agency plus margin of 1.75%, with a floor of 1.75%. The monthly payments are \$810 for the first three years and thereafter based on the variable interest rate effective at the time through February 2034. The loan is collateralized by the mortgage on the specific real property, assignment of rents on the specific real property, and a security interest in the Organization's deposit accounts.	90,514	0
In September 2019, the Organization executed a \$49,500 promissory note payable agreement with a local credit union to finance the purchase of a building. The note bears interest at 5.88% for the first three years and thereafter transitions to a rate based on the Adjustable Rate Mortgage index as reported by the Federal Housing Agency plus margin of 1.75%, with a floor of 1.75%. The monthly payments are \$414 for the first three years and thereafter based on the variable interest rate effective at the time through September 2034. The loan is collateralized by mortgages on the specific real property, assignment of rents on the specific real property, and a security interest in the Organization's deposit accounts.	48,950	0
Total	251,689	118,472
Current maturities of long-term debt	12,643	6,247
Net long-term debt	239,046	112,225

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
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Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

Long-term debt, less current portion, is scheduled to mature as follows for the years ending December 31:

2021	13,319
2022	13,980
2023	14,677
2024	15,391
Thereafter	181,679
<b>Total</b>	<b>239,046</b>

Interest expense for the years ended December 31, 2019 and 2018 was \$9,634 and \$1,135, respectively.

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2019</u>	<u>2018</u>
Future rent expense	1,019,324	1,191,913
Patient-centric care for the Diabetes Control for New Neighbors program	200,000	0
Dental equipment and salary	186,000	0
Solar panels	0	24,499
CenteringPregnancy	0	12,469
<b>Total</b>	<b>1,405,324</b>	<b>1,228,881</b>

**NOTE 9 - GIFTS IN KIND**

Material gifts in kind items used in the Organization's programs, and donated goods distributed, are recorded as income and expense at the time the items are received, which is normally also the time they are placed into service or distributed. Gifts in kind revenue is recognized in "In-kind Contributions" in the Statements of Activities based on the fair market value at the date of donation.

In-kind contributions is comprised of the following at December 31:

	<u>2019</u>	<u>2018</u>
Vaccinations	376,823	290,597
Orthopedic medicine services	13,816	6,966
Optometry services	1,395	5,247
Lab services	23,000	27,575
<b>Total</b>	<b>415,034</b>	<b>330,385</b>

**NOTE 10 - EMPLOYEE BENEFITS**

The Organization maintains a qualified retirement plan under section 401(k) of the Internal Revenue Code. The Organization contributes 8% of the participating employees' gross earnings. The Organization contributed \$343,971 and \$332,769 to the plan for the years ended December 31, 2019 and 2018, respectively.

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

The Organization has instituted a group health and dental plan whereby it is primarily responsible for certain employee costs up to stop loss amounts of \$5,000 for individual coverage and \$10,000 for family coverage. Group health and dental expenses, dependent care and educational benefits were \$1,134,834 and \$1,146,405 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 11 - CONCENTRATIONS**

The Organization receives a substantial amount of its support from federal, state and local governments. Any significant reduction in the level of this support could have a significant effect on the Organization's programs.

The Organization's patients are concentrated in Goshen, Indiana. Accordingly, conditions in that area may affect its revenue.

**NOTE 12 - CONTINGENCIES**

Included on the Organization's Statements of Financial Position are costs of property and equipment obtained with federal funds. Consequently, there is a continuing federal interest in the related property and equipment. The property and equipment may not (1) be used for any purpose inconsistent with the statute and any program regulations governing the award under which the property and equipment was acquired; (2) mortgaged or otherwise used as collateral without written permission; or (3) sold or transferred to another party without written permission. The Health Resources and Services Administration (HRSA) entered into a Subordination agreement with the Organization in relation to the premises funded by a federal grant in which it has a continuing federal interest. HRSA's interest in the property is subordinated to the Organization's line of credit with a local credit union (Note 6). The cost of property and equipment obtained with federal funds included in the Statements of Financial Position was \$282,720 at both December 31, 2019 and 2018.

The Organization may be involved in pending and threatened litigation of the character incidental to the business transacted. As an FQHC, the Organization is covered for medical malpractice risks under the Federal Tort Claims Act ("FTCA"). GAAP require a health care provider to accrue the expense of its share of malpractice claims costs for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate cost of the incidents. However, under FTCA the Health Center Providers are treated as Public Health Service employees and are immune from lawsuit. Any lawsuits would be paid by the United States and not a direct liability of the Health Center.



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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
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Goshen, Indiana

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE 13 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through June 23, 2020, the date the financial statements were available to be issued. On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation and the impact on its financial condition, liquidity, tenants, industry, and workforce. The COVID-19 outbreak has led to reduced patient encounters, a shift to telehealth visits, and various streams of federal relief funding. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020. Although the Organization cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Organization’s results of future operations, financial position, and liquidity in fiscal year 2020. Also, as discussed in Note 4, the Organization also was given title to the medical facility previously under a long-term \$1 annual lease arrangement. This transfer of title was effective as of March 30, 2020. No other events or transactions occurred during this period which require recognition or disclosure in the financial statements.

## SUPPLEMENTARY INFORMATION

**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended December 31, 2019

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity or Grant Identifying Number</b>	<b>Federal Expenditures</b>	<b>Expenditures Passed to Subrecipients</b>
<b>Department of Housing and Urban Development</b>				
<b>Passed-through City of Goshen</b>				
Community Development Block Grants (CDBG)/ Entitlement Grants	14.218	B-19-MC-18-0019	4,650	0
<b>Total CDBG - Entitlement Grants     Cluster</b>			4,650	0
<b>Total Department of Housing and Urban     Development</b>			4,650	0
<b>Department of Health and Human Services</b>				
Health Center Program Cluster	93.224	H80CS24133	3,063,345	0
<b>Total Health Center Program Cluster</b>			3,063,345	0
<b>Passed-through Indiana State Department     of Health</b>				
Maternal and Child Health Services Block Grant to the States (Title V Centering Pregnancy)	93.994	0000000000000000000022261	58,401	0
Maternal and Child Health Services Block Grant to the States (Title V Centering Pregnancy)	93.994	0000000000000000000038675	21,123	0
<b>Total Maternal and Child Health     Services</b>			79,524	0
<b>Total Department of Health and Human     Services</b>			3,142,869	0
<b>Total Expenditures of Federal Awards</b>			<b>3,147,519</b>	<b>0</b>

*See the Notes to Schedule of Expenditures of Federal Awards.*

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended December 31, 2019

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of Maple City Health Care Center, Inc. d/b/a Vista Community Health Center (the "Organization") under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of the Organization.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allocable or are limited as to reimbursement.

2) The Organization has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

ADDITIONAL REQUIRED REPORTS AND  
INFORMATION



INDEPENDENT AUDITOR'S 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  
Maple City Health Care Center, Inc. d/b/a Vista Community Health Center  
Goshen, Indiana

We have audited, 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, the financial statements of Maple City Health Care Center, Inc. d/b/a Vista Community Health Center (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2019, 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 June 23, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

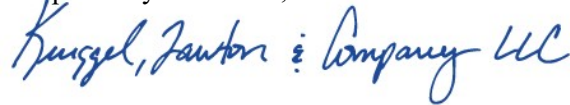
## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kuegel, Fawcett & Company LLC".

Certified Public Accountants

Elkhart, Indiana  
June 23, 2020



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Maple City Health Care Center, Inc. d/b/a Vista Community Health Center  
Goshen, Indiana

### **Report on Compliance for Each Major Federal Program**

We have audited Maple City Health Care Center, Inc. d/b/a Vista Community Health Center's (the "Organization") 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 Organization's major federal programs for the year ended December 31, 2019. The Organization's major federal programs are identified in the summary of auditor's 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization'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 Organization'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 the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.



## Report on Internal Control over Compliance

Management of the Organization 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 Organization'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 Organization'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.

Respectfully submitted,



Certified Public Accountants

Elkhart, Indiana  
June 23, 2020

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2019

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**Section I - Summary of Auditor's Results**

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**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.224	Health Center Program Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2019

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**Section II - Financial Statement Findings**

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There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

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**Section III - Federal Award Findings and Questioned Costs**

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There were no findings related to federal awards which are required to be reported in accordance with *Government Auditing Standards*.

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**MAPLE CITY HEALTH CARE CENTER, INC. d/b/a  
VISTA COMMUNITY HEALTH CENTER**

Goshen, Indiana

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

For the Year Ended December 31, 2019

FINDING 2018-001 - HEALTH CENTER CLUSTER- CFDA No. 93.224; June 1, 2018 - May 31, 2019 - Year ended December 31, 2018

*Condition:* The Organization drew grant funds to pay an invoice for health insurance expense for which a portion was subsequently reimbursed through employee payroll withholdings.

*Recommendation:* The auditor recommended that management review Uniform Guidance compliance requirements for activities allowed or unallowed and allowable costs/cost principles.

*Current Status:* The Organization stopped this practice as soon as management was notified it was not in compliance with grant requirements. Management understands why this particular draw down did not follow grant requirements. Management has reviewed the Uniform Guidance compliance requirements and is paying close attention to drawing down only according to allowable cost principles.