



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B42972

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

November 8, 2013

Board of Directors
Hoosier Uplands Economic
Development Corporation and Subsidiary
521 W. Main St.
Mitchell, IN 47960

We have reviewed the audit report prepared by McCauley, Nicolas & Company, LLC, Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Hoosier Uplands Economic Development Corporation and Subsidiary, as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

**HOOSIER UPLANDS ECONOMIC
DEVELOPMENT CORPORATION AND SUBSIDIARY
Mitchell, Indiana**

**REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended December 31, 2009

CONTENTS

Independent Auditors' Report	1 and 2
Financial Statements:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6 – 15
Supplementary Information:	
Recap of Functional Expenses by Funding Sources	16
Program A – Federal Programs	17 – 20
Program B – State Programs	21 – 41
Program C – Healthcare Division	42
Program D – General	43
New Horizon Apartments - Statement of Financial Position	44
New Horizon Apartments - Statement of Activities	45
Persimmon Park Apartments - Statement of Financial Position	46
Persimmon Park Apartments - Statement of Activities	47
Schedule of Expenditures of Federal Awards	48 – 50
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51 and 52
Report on Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133	53 and 54
Schedule of Findings and Questioned Costs	55 and 56
Exit Conference	57



INDEPENDENT AUDITORS' REPORT

Board of Directors
Hoosier Uplands Economic Development Corporation
and Subsidiary
Mitchell, Indiana

We have audited the accompanying consolidated statement of financial position of Hoosier Uplands Economic Development Corporation and Subsidiary (a nonprofit organization) as of December 31, 2009, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of Hoosier Uplands Economic Development Corporation and Subsidiary's management. 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Hoosier Uplands Economic Development Corporation and Subsidiary as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2010, on our consideration of Hoosier Uplands Economic Development Corporation and Subsidiary's internal control over financial reporting and on our tests of their 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

702 North Shore Drive, Suite 500 Jeffersonville, IN 47130-3104 812-288-6621 fax 812-288-2885 www.mnccpa.com

Kenneth N. Nicolas, CPA Ronald F. Barnes, CPA, PFS Lee E. Pieper, CPA J. Patrick Byrne, CPA
John C. Pieper, CPA Daniel K. McCauley, CPA, ABV J. Michael Grinnan, CPA Kenneth W. Coyle, CPA R. Kenneth Adams, CPA

MEMBER

PKF North American Network American Institute of CPAs AICPA PCPS Division Indiana CPA Society Kentucky Society of CPAs

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of Hoosier Uplands Economic Development Corporation and Subsidiary taken as a whole. The Schedule of Functional Expenses on pages 16 through 43 and the Statement of Financial Position and Statement of Activities for both New Horizon Apartments and Persimmon Park Apartments on pages 44 through 47 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements of Hoosier Uplands Economic Development Corporation and Subsidiary. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations* and is also not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

McCauley, Nicolas & Company, LLC

McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
August 17, 2010

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2009

ASSETS

CURRENT ASSETS

Cash	\$	561,385
Certificates of deposit		6,902,148
Investments		1,320,609
Grants receivable		1,654,047
Patient receivables		1,062,164
Accounts receivable		49,914
Other receivables		36,408
Other assets		13,503

TOTAL CURRENT ASSETS

11,600,178

Property and equipment, net		11,551,398
Notes receivable from related entities		2,215,525
Development fee receivable		54,331

TOTAL ASSETS

\$ 25,421,432

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current maturities of long-term debt	\$	75,121
Accounts payable		1,292,858
Other liabilities		777,145
Unearned revenue/grants payable		338,417

TOTAL CURRENT LIABILITIES

2,483,541

Long-term debt, net of current maturities		6,330,098
---	--	-----------

TOTAL LIABILITIES

8,813,639

Net assets - unrestricted		16,607,793
---------------------------	--	------------

TOTAL LIABILITIES AND NET ASSETS

\$ 25,421,432

See notes to consolidated financial statements.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

for the year ended December 31, 2009

REVENUES AND OTHER SUPPORT

Contract and program revenue	\$ 13,400,586
Healthcare revenue	5,460,511
Miscellaneous revenue	1,127,823
In-kind revenue	1,017,886
Interest income	450,786
Rental income	468,024

TOTAL REVENUES AND OTHER SUPPORT

21,925,616

EXPENSES

Program A - Federal Programs	
U.S. Department of Health & Human Services	3,459,118
U.S. Department of Health & Human Services (Indiana University)	238,697
U.S. Department of Agriculture Rural Development	64,722
U.S. Department of Housing and Urban Development	29,573

Program B - State Programs

Indiana Family & Social Services Administration	2,443,652
Indiana Housing and Community Development Authority	6,006,172
Indiana State Department of Health	872,248
Indiana Department of Education	873,134
Indiana Department of Insurance	7,482
Indiana Tobacco Use Prevention and Cessation Prevention Initiatives	173,762

Program C - Healthcare Division

Healthcare programs	4,130,497
---------------------	-----------

Program D - General

Local programs	<u>1,979,579</u>
----------------	------------------

TOTAL EXPENSES

20,278,636

CHANGE IN NET ASSETS

1,646,980

NET ASSETS, beginning of year

14,960,813

NET ASSETS, end of year

\$ 16,607,793

See notes to consolidated financial statements.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 1,646,980
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	326,959
Write down of notes receivable/interest from related parties	184,915
(Increase) decrease in:	
Receivables	(746,858)
Other assets	(7,390)
Increase (decrease) in:	
Accounts payable	14,960
Unearned revenue/grants payable	127,336
Other liabilities	(415,817)
Net cash provided by operating activities	<u>1,131,085</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(457,107)
Purchase of investments	(470,078)
Increase in certificates of deposit, net	(26,889)
Net cash (used) by investing activities	<u>(954,074)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from related party	50,000
Payments on long-term debt	(61,538)
Net cash (used) by financing activities	<u>(11,538)</u>

NET INCREASE IN CASH

165,473

CASH

Beginning of year	<u>395,912</u>
End of year	<u>\$ 561,385</u>

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS

Purchase of property and equipment	\$ 2,439,781
Less amount borrowed from Integra Bank National Association	(1,300,000)
Less amount borrowed from Indiana Housing and Community Development Authority	(682,674)
CASH PAYMENTS FOR PURCHASE OF PROPERTY AND EQUIPMENT	<u>\$ 457,107</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid	<u>\$ 120,383</u>
---------------	-------------------

See notes to consolidated financial statements.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2009

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Hoosier Uplands Economic Development Corporation (HUEDC) and Subsidiaries (collectively, “the Entities”) is presented to assist in understanding the Entities’ financial statements. The consolidated financial statements and notes are representations of the Entities’ management, who is responsible for their integrity and objectivity.

The more significant accounting policies of the Entities are as follows:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Hoosier Uplands Economic Development Corporation and its subsidiary Shawnee Development Corporation. Significant intercompany transactions and balances have been eliminated in consolidation. See Note 6 for additional information.

Organization and Nature of Operations

HUEDC serves economically disadvantaged citizens in the Indiana counties of Lawrence, Martin, Orange, Washington, Crawford, Greene and Daviess. The principal programs provided include low-income home weatherization and energy assistance, in-home nursing and health care, in-home meal delivery and nutrition services, counseling and information referral services to the aged and homeless, and Head Start programs for pre-school age children. HUEDC's funding comes primarily from the Indiana Family and Social Services Administration, Medicare/Medicaid, U.S. Department of Health and Human Services, Indiana Housing Community Development Authority, Indiana State Department of Health and the Indiana Department of Education in the form of both cost-reimbursement and performance-based grants. HUEDC is organized as a not-for-profit Community Action Agency, Area Agency on Aging, certified CHDO, and licensed home health and hospice facility.

In addition to the above, HUEDC is involved in various related entities, all of which were established principally to acquire real estate and to develop low-income multi-family dwelling units. See Note 6 for additional information.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued

December 31, 2009

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Categories of Funds

The Entities also prepare its financial statements whereby the Consolidated Statement of Activities is classified into separate categories according to the source and nature of the activity. The four categories presented are:

- 1) Federal – includes contracts and grants received directly from agencies of the U.S. Government.
- 2) State – includes contracts and grants received from agencies of the state of Indiana.
- 3) Healthcare Division – includes the home health services (funded by Medicare, Medicaid, insurance and private-payers).
- 4) General – includes the corporate fund which consists of discretionary and board designated funds.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Entities consider all short-term investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2009.

Investments and Market Risk

Investments are valued at fair market value. HUEDC has investments in money market funds, certificates of deposits and government bonds that are subject to concentrations of credit risk. Investments are made by management. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investments policy is prudent for the long-term welfare of HUEDC.

Receivables

The Entities utilize the allowance method for recording bad debt expense for its grants receivable, patient receivables, accounts receivables, and other receivables, which is based upon historical experience coupled with a review of the current status of existing receivables. Management has determined an allowance of \$10,000 was required at December 31, 2009.

Property and Equipment

Property and equipment are currently being capitalized and recorded at cost. Property and equipment donated are recorded at fair market value at date of donation. Major expenditures and those which substantially increase useful lives are capitalized. Maintenance and repairs are charged to expense when incurred. The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
December 31, 2009

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Property and Equipment —Continued

The useful lives of property and equipment for purposes of computing depreciation are:

Buildings and building improvements	5 – 50 years
Office furniture and equipment	3 – 10 years
Home Health equipment	5 – 20 years

Revenue Recognition

Patient Revenue

Patient accounts receivable and revenue are recorded in the Home Health Division at standard billing rates when patient services are performed. However, HUEDC is reimbursed by the funding sources at amounts that often are less than the standard billing rates. The difference between standard billing rates and the amounts reimbursed by the funding sources is included in the financial schedules as deductions from revenue and accounts receivable. Amounts reimbursed by the funding sources are determined in accordance with the provisions of cost-reimbursement formulas.

Cost Reimbursement Grants

Revenue from cost-reimbursement grants is recognized in the period in which the related expenses are incurred and claimed for reimbursement.

Performance-Based Grants (Fixed Unit Price)

Revenue from grants wherein HUEDC is reimbursed based upon a contractually agreed-upon rate is recognized in the period in which HUEDC renders the service.

Expense Allocation

HUEDC reports expenditures that can be identified specifically with a particular program objective to the appropriate funding source and cost category. HUEDC's indirect administrative expenses are allocated to the various programs based on a cost allocation plan that was submitted to the major funding sources.

Advertising

HUEDC expenses advertising costs as incurred. Total advertising expense, principally for its Healthcare Division, for the year ended December 31, 2009 was approximately \$105,000.

Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 885, the Entities have evaluated events and transactions for potential recognition or disclosure through August 17, 2010, the date the financials were available to be issued.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
December 31, 2009

NOTE 2—FAIR VALUE MEASUREMENT

The financial statements reflect the adoption of a new accounting standard related to fair value measurements, which provides a comprehensive framework for measuring fair value and expands required disclosures concerning fair value measurements. Specifically, the standard sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. The adoption of the standard did not have a material impact on the financial statements.

The standard defines levels within the hierarchy of inputs as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets

Level 2 – Quoted prices for similar assets and liabilities in active markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable

Fair values of financial assets measured on a recurring basis at December 31, 2009 consisted of the following:

	<u>Cost</u>	<u>Market Value</u>			<u>Unrealized Appreciation (Depreciation)</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Certificates of Deposit	\$ 6,902,148	\$ -	\$ 6,902,148	\$ -	\$ -
Money Market Funds	1,096,117	1,096,117	-	-	-
Government Bonds	223,335	224,492	-	-	1,157
	<u>1,319,452</u>	<u>1,320,609</u>	<u>-</u>	<u>-</u>	<u>1,157</u>
Total	<u>\$ 8,221,600</u>	<u>\$ 1,320,609</u>	<u>\$ 6,902,148</u>	<u>\$ -</u>	<u>\$ 1,157</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued December 31, 2009

NOTE 3—GRANTS RECEIVABLES

Grants receivable at December 31, 2009, consist of the following:

Indiana Housing and Community Development Authority	\$	436,884
Indiana Department of Family and Social Services		301,051
U.S. Department of Health and Human Services		554,065
Indiana State Department of Health		205,621
Indiana University (AHEC)		86,138
Indiana Department of Education		36,616
EDS		17,838
Indiana Department of Insurance		7,482
Rural Development		2,022
U.S. Department of Housing and Urban Development		6,330
		<u>6,330</u>
	\$	<u>1,654,047</u>

NOTE 4—PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2009, consist of the following:

Land	\$	615,106
Buildings and building improvements		11,513,551
Office furniture and equipment		554,469
Home Health equipment		175,188
Vehicles		937,079
Construction in process		581,379
		<u>14,376,772</u>
Less accumulated depreciation		<u>(2,825,374)</u>
Property and equipment, net	\$	<u>11,551,398</u>

Depreciation expense charged to operations was \$326,959 for the year ended December 31, 2009.

NOTE 5—NOTES RECEIVABLE FROM RELATED ENTITIES

Following is a summary of notes receivable from related entities (related through common ownership) at December 31, 2009:

Note receivable from Bedford Apartments, LP, bearing interest at 5.24%, with no specific payback terms. Secured by apartment buildings.	\$	230,000
Note receivable from Bedford Apartments, LP, bearing interest at 1%, with no specific payback terms. Secured by apartment buildings.		250,000
Note receivable from Pioneer Creek Apartments, LP, bearing interest at 5.48%, with no specific payback terms. Secured by apartment buildings.		187,000
Note receivable from Pioneer Creek Apartments, LP, bearing interest at 5%, with no specific payback terms. Secured by apartment buildings.		<u>258,000</u>
Balance carried forward		925,000

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued December 31, 2009

NOTE 5—NOTES RECEIVABLE FROM RELATED ENTITIES—Continued

Balance carried forward	925,000
Note receivable from Aspen Meadows Apartments, LP, bearing interest at 6%, with no specific payback terms. Secured by apartment buildings.	300,000
Note receivable from Aspen Meadows Apartments, LP, bearing interest at 6%, with no specific payback terms. Secured by apartment buildings.	390,000
Note receivable from Shawnee Development Corporation, bearing interest at the prime rate (7.25% at December 31, 2005), with no specific payback terms. Secured by apartment buildings in the name of Bedford Apartments, L.P. and Aspen Meadows, L.P.	71,500
Note receivable from Lost River Place, L.P. bearing interest at 5%, with no specific payback terms. Secured by apartment buildings.	790,000
Note receivable from Spring Town Apartments, L.P. bearing interest at 2.75%, with no specific payback terms. Secured by apartment buildings.	400,000
Note receivable from Spring Town Apartments, L.P. bearing interest at 1%, with no specific payback terms. Secured by apartment buildings.	<u>493,500</u>
	3,370,000
Less provision for possible uncollectability	<u>(1,154,475)</u>
Total notes receivable from related entities	<u>\$2,215,525</u>

NOTE 6—RELATED PARTY INFORMATION/INVESTMENTS

Although the above notes bear interest, HUEDC has recognized interest of approximately \$184,000 and has set up an allowance for uncollectibility in the financial statements because management does not believe this amount will be collected. The total cumulative interest recorded is \$996,529 at December 31, 2009.

HUEDC has ownership interest and/or control over various entities as indicated below:

- Shawnee Development Corporation - HUEDC is a 100% sole stockholder.
- Bedford Apartments, LP - Shawnee Development Corporation is a 0.1% general partner.
- Aspen Meadows, LP - Shawnee Development Corporation is a 1% general partner.
- Pioneer Creek Apartments, LP - Shawnee Development Corporation is a 1% general partner.
- Lost River Place, L.P. – Shawnee Development Corporation is a 1% general partner.
- Spring Town Apartments, L. P. – Shawnee Development Corporation is a 1% general Partner.

During prior years, HUEDC had contributed a total of \$1,530 to the investment in Shawnee Development Corporation in order to fund a general partnership interest of Shawnee Development Corporation in Bedford Apartments, LP, Aspen Meadows, LP, and Pioneer Creek Apartments, LP. During 2009, HUEDC contributed \$12,000 to Spring Town Apartments, L.P. These entities were principally established to acquire real estate and to develop low-income multi-family dwelling units.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
December 31, 2009

NOTE 7—RELATED PARTY INFORMATION/DEVELOPMENT FEE RECEIVABLE

HUEDC, an affiliated entity of the General Partner of Aspen Meadows, L.P., will be paid a development fee of \$518,746 for its services in connection with the development of the project. HUEDC had earned the entire development fee and received payments of \$464,415 as of December 31, 2008. The remaining development fee at December 31, 2009 of \$54,331 is payable from the Net Cash Flow of the Partnership.

Additionally, HUEDC, an affiliated entity of the General Partner of Lost River Place, L.P., will be paid development fees of \$360,135 for its services in connection with the development of the project. HUEDC had earned the entire development fee and received \$350,135 as of December 31, 2008. The remaining \$10,000 was received during 2009.

NOTE 8—UNEARNED REVENUE/GRANTS PAYABLE

For grants and contracts where future use of grant funds is contingent upon approval from the funding source and the grant or contract is of a cost-reimbursement type, HUEDC accounts for funds received but not yet earned and carried over from one year to the next as unearned revenue/grants payable. The total unearned revenue/grants payable at December 31, 2009 was \$338,417.

Unearned revenue/grants payable at December 31, 2009 consists of the following:

Healthy Families	\$	72,521
IHCDA Section 8		31,456
Tobacco grants		65,781
HOME grants		65,750
Department of Education		40,342
Family and Social Services		38,378
Martin County Health		24,189
		<hr/>
	\$	<u>338,417</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued December 31, 2009

NOTE 9—LONG-TERM DEBT

Following is a summary of long-term debt at December 31, 2009:

Note payable to Indiana Housing and Community Development Authority, payable in monthly installments of \$1,333 through June 2022. The note carries no interest. Mortgage is secured by real estate in Lawrence County, Indiana	\$ 200,000
Note payable to Integra Bank National Association, payable in monthly installments of \$2,884 through June 2022. The actual interest rate on the note is based upon the 30 day London Interbank Offered Rates (3.275% at December 31, 2009). The mortgage is secured by real estate in Mitchell, Indiana.	1,278,401
Mortgage payable to Rural Housing Development Corporation, payable in monthly installments of \$2,263 through July 2053. The actual interest rate on the note is 5.375%, but is discounted to approximately 1% through a monthly subsidy allowance of \$2,868 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex.	1,035,177
Mortgage payable to Rural Housing Development Corporation, payable in monthly installments of \$1,693 through August 2053. The actual interest rate on the note is 5.375%, but is discounted through a monthly subsidy allowance of \$2,609 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex.	759,082
Mortgage payable to Rural Housing Development Corporation, payable in monthly installments of \$202 through February 2055. The actual interest rate on the note is 6.00%, but is discounted through a monthly subsidy allowance of \$298 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex.	93,393
Mortgage payable to Rural Housing Development Corporation, payable in monthly installments of \$2,789 through December 2057. The actual interest rate on the note is 6.00%, but is discounted to approximately 1% through a monthly subsidy allowance of \$4,141 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex.	1,299,511
Mortgage payable to Rural Housing Development Corporation, payable in monthly installments of \$2,119 through 2057. The actual interest rate on the note is 6.00%, but is discounted to approximately 1% through a monthly subsidy allowance of \$3,145 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex.	989,614
Note payable to Integra Bank National Association, payable in monthly installments of \$390 including interest computed at 8% through 2022. The note is secured by an apartment complex.	37,034
Note payable to Indiana Housing and Community Development Authority. The note will be for the principal sum of \$1,776,219 of which \$682,674 had been received at December 31, 2009. The note carries a zero interest rate. Commencing on the first anniversary of the Conversion Date, and continuing each year on the anniversary date, the note will be reduced/forgiven by 1/15th of the original amount. The note is secured by an apartment complex.	682,674
Note payable to Indiana Housing and Community Development Authority, payable in semi-annual installments of \$1,157 through 2022. The note carries no interest. The note is secured by an apartment complex.	30,333
Total long-term debt	6,405,219
Less current maturities of long-term debt	(75,121)
Long-term debt, net of current maturities	<u>\$ 6,330,098</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
December 31, 2009

NOTE 9—LONG-TERM DEBT—Continued

Aggregate maturities of long-term debt at December 31, 2009 are as follows:

2010	\$ 75,121
2011	78,783
2012	82,685
2013	86,837
2014	91,264
Thereafter	<u>5,990,529</u>
	<u>\$ 6,405,219</u>

NOTE 10—DONATED SERVICE/GRANT MATCHING REQUIREMENTS

In the course of providing its programs, HUEDC receives the services of volunteers in the community and includes the estimated fair value of these services as equal amounts of "in-kind" revenue and "in-kind" expense. The in-kind revenue and expense is shown directly on the Consolidated Statement of Activities.

Certain grants administered by HUEDC during the year ended December 31, 2009, required HUEDC to attain minimum levels of matching funds consisting of the aforementioned "in-kind" as well as actual cash contributions. All such contractual requirements pertaining to contracts ending within the year ended December 31, 2009, were achieved. The total amount of in-kind contribution received during the year ended December 31, 2009 was \$1,017,886.

NOTE 11—LEASED PREMISES AND LEASED COMMITMENTS

HUEDC has entered into various operating leases for office and Head Start facilities which expire at various dates through June 30, 2011. The total aggregate lease expense for the year ended December 31, 2009 was approximately \$119,000.

At December 31, 2009, the future operating lease obligations for the above leases are as follows:

2010	\$ 37,260
2011	\$ 27,783

NOTE 12—RETIREMENT PLAN

HUEDC has a retirement plan for employees who meet certain eligibility requirements as to age and length of service. Under the plan, HUEDC will match dollar for dollar an employee's contributions to his/her plan up to a maximum amount of \$80 per pay period per employee. Employees' rights under the plan are 100% vested at the time the contributions are made to their individual accounts. The total amount of plan costs charged to operations during 2009 was approximately \$142,000.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
December 31, 2009

NOTE 13—INCOME TAXES

HUEDC is a non-profit corporation incorporated under the laws of the State of Indiana and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal or state income taxes has been recorded.

HUEDC's wholly owned subsidiary, Shawnee Development Corporation, Inc. is organized as a regular C corporation and consequently is subject to federal, state, and local income tax on its earnings and profits. With respect to this corporation, there was no significant operating activity during the year ended December 31, 2009. Therefore, no income tax provision has been recorded in the financial statement for the year ended December 31, 2009. Additionally, there are no significant timing differences between financial statement reporting and income tax reporting. Therefore, no provision has been recorded for deferred taxes.

Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2009-6 provided additional guidance for implementation of the uncertain tax position guidance in FASB Accounting Standards Codification ("ASC") Topic 740 effective for periods beginning after December 15, 2008. ASU No. 2009-6 defines tax positions applicable to pass-through entities, such as S corporations and limited liability companies, and only requires income taxes attributed to the reporting entity and not the individual owners to be considered tax positions. The Entities are no longer subject to Federal or Indiana state examinations by tax authorities for the closed tax years before 2006.

NOTE 14—CONCENTRATION OF CREDIT RISK

Cash Concentration Risk

The Entities' bank cash and certificates of deposit at December 31, 2009 totaled approximately \$8,500,000. In an attempt to minimize its exposed risk, the Entities maintain these funds with various financial institutions. Uninsured amounts in excess of the FDIC limits held with these financial institutions totaled approximately \$750,000 at December 31, 2009.

Group Concentration Risk

HUEDC is substantially funded by grants and contracts awarded directly and indirectly by the federal government, the State of Indiana and various other grantees. The majority of the agreements contain provisions which permit the arrangement to be terminated or the funds provided to be reduced if HUEDC does not continue to provide services or maintain specific activities as provided in the grant and contract agreements.

NOTE 15—GUARANTEE OF INDEBTEDNESS OF RELATED PARTY

As of December 31, 2009, HUEDC is contingently liable as guarantor of the indebtedness of various related parties as described in Note 6. No material loss is anticipated by reason of such guarantee.

SUPPLEMENTARY INFORMATION

Hoosier Uplands Economic Development Corporation and Subsidiary
Recap of Functional Expenses by Funding Source
December 31, 2009

	U.S.Department of Health and Human Services	U.S.Department of Health and Human Services (via Indiana University)	U. S. Department of Agriculture (Rural Development)	U.S. Department of Housing and Urban Development	Indiana Family and Social Services Administration	Indiana Housing and Community Development Authority	Indiana State Department of Health	Indiana Department of Education	Indiana Department of Insurance	Indiana Tobacco Prevention and Cessation	Healthcare	General	Total Expenses
Salaries and Fringe	\$ 1,802,302	\$ 143,516	\$ 10,524	\$ 28,975	\$ 840,730	\$ 767,612	\$ 214,026	\$ 498,993	\$ 4,567	\$ 114,033	\$ 2,606,919	\$ 789,572	\$ 7,821,769
Mileage, Per Diem, Lodging and Travel	29,359	8,053	-	576	29,649	23,503	11,080	14,305	-	6,949	313,464	31,493	468,431
Training, Registrations and Meetings	33,450	295	-	-	10,696	1,526	150	3,008	-	1,522	14,554	91,614	156,815
Space Costs	-	14,192	-	-	31,111	96,456	2,891	-	-	-	41,115	-	185,765
Employee Morale	-	-	-	-	-	-	-	-	-	-	-	1,083	1,083
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	3,092	3,092
Equipment	-	22,408	-	-	-	-	-	5,285	-	-	10,499	-	38,192
Food and Kitchen	-	-	-	-	-	-	-	116,000	-	-	-	-	116,000
Utilities	-	-	-	-	-	-	-	-	-	-	-	8,181	8,181
Management Fees	-	-	-	-	-	-	-	-	-	-	-	1,967	1,967
Bus and Vehicle Operation	39,366	-	-	-	1,666	6,882	-	-	-	-	-	-	47,914
Contracted Services	22,726	14,017	-	-	19,000	1,250	2,789	42,218	-	10,457	-	-	112,457
Subcontractors	-	-	53,445	-	36,887	-	-	-	-	-	-	-	90,332
Clinic Operations	-	-	-	-	-	-	578,976	-	-	-	-	-	578,976
Newspaper Publication	-	-	-	-	1,422	-	-	-	-	-	-	-	1,422
Program Supplies and Printing	117,410	7,042	-	-	-	65,850	3,258	77,776	430	6,642	67,283	114,116	459,807
Billable Medical Supplies	-	-	-	-	-	-	-	-	-	-	29,001	-	29,001
Telephone	33,484	9,475	-	-	24,412	33,143	2,212	2,108	-	2,607	47,754	89,928	245,123
Postage	2,332	-	-	-	-	-	-	-	-	-	-	-	2,332
Regular Assistance	-	-	-	-	-	2,355,508	-	-	-	-	-	-	2,355,508
Crisis Assistance	-	-	-	-	-	476,379	-	-	-	-	-	-	476,379
Cooling Assistance	-	-	-	-	-	203,982	-	-	-	-	-	-	203,982
Housing Assistance	-	-	-	-	-	892,339	-	-	-	-	-	-	892,339
Utility Assistance	-	-	-	-	-	52,837	-	-	-	-	-	-	52,837
Subcontract Services	-	-	-	-	-	29,025	-	-	-	-	-	35,527	64,552
Contractor Payments	-	-	-	-	-	408,340	-	-	-	-	-	-	408,340
Copier	18,707	2,942	-	-	7,320	9,978	590	7,605	-	776	13,892	32,998	94,808
Direct Client Assistance	-	-	-	-	-	-	-	-	-	-	-	38,733	38,733
Public Information	-	-	-	-	-	-	-	-	-	-	63,195	-	63,195
Transportation Costs	-	-	-	-	3,328	-	-	41,244	-	-	-	-	44,572
Insurance	37,053	748	-	-	-	16,676	701	1,820	-	-	15,765	29,524	102,287
Depreciation	-	-	-	-	-	-	-	-	-	-	-	326,959	326,959
Other Expenses	395,643	16,009	753	22	154,729	107,610	55,575	62,772	2,485	30,776	266,272	199,877	1,292,523
Client Services	-	-	-	-	1,190,337	359,886	-	-	-	-	-	-	1,550,223
Write down of notes receivable/interest	-	-	-	-	-	-	-	-	-	-	-	184,915	184,915
In-kind Expenses	927,286	-	-	-	92,365	-	-	-	-	-	-	-	1,019,651
Inter-Co Support.	-	-	-	-	-	97,390	-	-	-	-	-	-	97,390
Purchased Services - Hospice	-	-	-	-	-	-	-	-	-	-	640,784	-	640,784
	<u>\$ 3,459,118</u>	<u>\$ 238,697</u>	<u>\$ 64,722</u>	<u>\$ 29,573</u>	<u>\$ 2,443,652</u>	<u>\$ 6,006,172</u>	<u>\$ 872,248</u>	<u>\$ 873,134</u>	<u>\$ 7,482</u>	<u>\$ 173,762</u>	<u>\$ 4,130,497</u>	<u>\$ 1,979,579</u>	<u>\$ 20,278,636</u>

PROGRAM A - FEDERAL PROGRAMS

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through U.S. Department of Health & Human Services:

	Head Start and Early Head Start Agreement #s 05CH4076/43,44 CFDA 93.600	Head Start and Early Head Start (ARRA) Agreement #s 05SE4076/01 CFDA 93.708	Head Start and Early Head Start (ARRA) Agreement #s 05SA4076/01 CFDA 93.709	Drug Free Communities 5H79SP13665-06 CFDA 93.276	Drug Free Communities 5H79SP13665-03 CFDA 93.276	Total U.S. Department of Health & Human Services
Salaries and Fringe	\$ 1,745,240	\$ 18,232	\$ 5,251	\$ 9,819	\$ 23,760	\$ 1,802,302
Mileage, Per Diem, Lodging and Travel	25,643	-	-	2,806	910	29,359
Training, Registrations and Meetings	20,760	12,690	-	-	-	33,450
Bus and Vehicle Operation	39,366	-	-	-	-	39,366
Contracted Services	-	-	-	1,961	20,765	22,726
Program Supplies and Printing	108,712	757	5,858	167	1,916	117,410
Telephone	33,475	-	-	6	3	33,484
Postage	2,223	-	15	18	76	2,332
Copier	18,460	-	-	170	77	18,707
Insurance	37,053	-	-	-	-	37,053
Other Expenses	352,874	20,906	1,532	3,784	16,547	395,643
In-kind Expenses	810,674	-	-	3,557	113,055	927,286
	<u>\$ 3,194,480</u>	<u>\$ 52,585</u>	<u>\$ 12,656</u>	<u>\$ 22,288</u>	<u>\$ 177,109</u>	<u>\$ 3,459,118</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through U.S. Department of Health and Human Services via Indiana University:

	Indiana Area Health Education Centers (HHS) CFDA 93.824	Indiana Area Health Education Centers (State) CFDA N/A	Indiana Area Health Education Centers (State) CFDA N/A	Indiana Area Health Education Centers Totals
Salaries and Fringe	\$ 88,898	\$ 41,747	\$ 12,871	\$ 143,516
Mileage, Lodging and Per Diem	5,711	2,342	-	8,053
Training, Registrations and Conferences	-	295	-	295
Space Costs	9,950	4,242	-	14,192
Equipment	-	-	22,408	22,408
Contracted Services	13,642	375	-	14,017
Supplies and Printing	6,817	225	-	7,042
Telephone and Postage	6,793	2,682	-	9,475
Copier Expense	1,963	979	-	2,942
Insurance	624	124	-	748
Other Expenses	12,046	3,295	668	16,009
	<u>\$ 146,444</u>	<u>\$ 56,306</u>	<u>\$ 35,947</u>	<u>\$ 238,697</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through U.S. Department of Agriculture Rural Development:

	Housing Preservation Grant Orange Co. CFDA 10.433	Housing Preservation Grant Washington Co CFDA 10.433	Housing Preservation Grant City of Mitchell CFDA 10.433	U.S.D.A. Rural Development Totals
Salaries and Fringe	\$ 3,890	\$ 3,317	\$ 3,317	\$ 10,524
Subcontractors	17,600	17,600	18,245	53,445
Other Expenses	<u>(124)</u>	<u>784</u>	<u>93</u>	<u>753</u>
	<u>\$ 21,366</u>	<u>\$ 21,701</u>	<u>\$ 21,655</u>	<u>\$ 64,722</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
 Statement of Functional Expenses by Funding Source
 For the Year Ending December 31, 2009

Funded through the U.S. Department of Housing and Urban Development:

	H.U.D. Housing Counseling HC08-0498-099 CFDA 14.169	H.U.D. Housing Counseling HC09-0498-056 CFDA 14.169	H.U.D. Housing Counseling Totals
Salaries and Fringe	\$ 22,645	\$ 6,330	\$ 28,975
Mileage, Lodging and Per Diem	576	-	576
Other Expenses	22	-	22
	<u>\$ 23,243</u>	<u>\$ 6,330</u>	<u>\$ 29,573</u>

PROGRAM B - STATE PROGRAMS

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31,2009

Agency Wide Via State of Indiana Summary:

	Indiana F.S.S.A. Totals	I.H.C.D.A. Totals	Indiana State Dept Health Totals	Indiana Dept of Education Totals	Indiana Dept of Insurance Totals	I.T.P.C Totals	State of Indiana Totals
Salaries and Fringe	\$ 840,730	\$ 767,612	\$ 214,026	\$ 498,993	\$ 4,567	\$ 114,033	\$ 2,439,961
Mileage, Lodging and Per Diem	29,649	23,503	11,080	14,305	-	6,949	85,486
Training, Registrations and Meetings	10,696	1,526	150	3,008	-	1,522	16,902
Space Costs	31,111	96,456	2,891	-	-	-	130,458
Equipment Purchases	-	-	-	5,285	-	-	5,285
Food and Kitchen	-	-	-	116,000	-	-	116,000
Vehicle Operation	1,666	6,882	-	-	-	-	8,548
Contracted Services	19,000	1,250	2,789	42,218	-	10,457	75,714
Supplies and Printing	36,887	65,850	3,258	77,776	430	6,642	190,843
Clinic Operations	-	-	578,976	-	-	-	578,976
Newspaper Publication	1,422	-	-	-	-	-	1,422
Telephone and Postage	24,412	33,143	2,212	2,108	-	2,607	64,482
Regular Assistance	-	2,355,508	-	-	-	-	2,355,508
Crisis Assistance	-	476,379	-	-	-	-	476,379
Cooling Assistance	-	203,982	-	-	-	-	203,982
Housing Assistance	-	892,339	-	-	-	-	892,339
Utility Assistance	-	52,837	-	-	-	-	52,837
Subcontractor Services	-	29,025	-	-	-	-	29,025
Contractor Payments	-	408,340	-	-	-	-	408,340
Copier Expense	7,320	9,978	590	7,605	-	776	26,269
Transportation Costs	-	-	-	41,244	-	-	41,244
Insurance Expense	3,328	16,676	701	1,820	-	-	22,525
Other Expenses	154,729	107,610	55,575	62,772	2,485	30,776	413,947
Client Services	1,190,337	359,886	-	-	-	-	1,550,223
USDA Meals Subsidy	-	-	-	-	-	-	-
In Kind Expenses	92,365	-	-	-	-	-	92,365
Inter - Co Support	-	97,390	-	-	-	-	97,390
	<u>\$ 2,443,652</u>	<u>\$ 6,006,172</u>	<u>\$ 872,248</u>	<u>\$ 873,134</u>	<u>\$ 7,482</u>	<u>\$ 173,762</u>	<u>\$ 10,376,450</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Indiana Family & Social Services Administration Summary:

	F.S.S.A. Childrens Svc Totals	F.S.S.A. Mental Health and Addictions Totals	F.S.S.A. Aging Div Totals	F.S.S.A. Totals
Salaries and Fringe	\$ 191,939	\$ 41,569	\$ 607,222	\$ 840,730
Mileage, Lodging and Per Diem	11,861	3,546	14,242	29,649
Training, Registrations and Meetings	620	7,712	2,364	10,696
Space Costs	7,051	3,160	20,900	31,111
Contracted Services	-	19,000	-	19,000
Vehicle Operation	-	-	1,666	1,666
Supplies and Printing	5,450	5,747	25,690	36,887
Newspaper Publication	-	-	1,422	1,422
Telephone and Postage	3,026	179	21,207	24,412
Copier Expense	1,836	162	5,322	7,320
Insurance Expense	451	63	2,814	3,328
Other Expenses	19,642	9,744	125,343	154,729
Client Services	-	-	1,190,337	1,190,337
USDA Meals Subsidy	-	-	-	-
In-Kind Expenses	-	-	92,365	92,365
	<u>\$ 241,876</u>	<u>\$ 90,882</u>	<u>\$ 2,110,894</u>	<u>\$ 2,443,652</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
 Statement of Functional Expenses by Funding Source
 For the Year Ending December 31, 2009

Funded through the Indiana Family & Social Services Administration
 Childrens Services Division Programs:

	Healthy Families Orange Co. <u>09/10</u>	Healthy Families Orange Co. <u>08/09</u>	Healthy Families Orange Co. <u>08/09</u>
Salaries and Fringe	\$ 50,848	\$ 141,091	\$ 191,939
Mileage, Lodging and Per Diem	3,162	8,699	11,861
Training, Registrations and Meetings	85	535	620
Space Costs	1,884	5,167	7,051
Supplies and Printing	1,364	4,086	5,450
Telephone and Postage	1,021	2,005	3,026
Copier Expense	523	1,313	1,836
Insurance	-	451	451
Other Expenses	3,912	15,730	19,642
	<u>\$ 62,799</u>	<u>\$ 179,077</u>	<u>\$ 241,876</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Family & Social Services Administration
Division of Mental Health and Addictions:

	Strategic Prevention State Incentive Grant <u>CFDA #93.243</u>
Salaries and Fringe	\$ 41,569
Mileage, Lodging and Per Diem	3,546
Training, Registrations and Meetings	7,712
Space Costs	3,160
Contracted Services	19,000
Supplies and Printing	5,747
Telephone and Postage	179
Copier Expense	162
Insurance	63
Other Expenses	<u>9,744</u>
	<u>\$ 90,882</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Family & Social Services Administration
Aging Division Programs:

	Aging Div IIIB Admin 09/10 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Admin 08/09 Contract # 47-08-OV-1676 CFDA 93.044	Aging Div IIIB Access Info & Referral 09/10 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Access Info & Referral 08/09 Contract # 47-08-OV-1676 CFDA 93.044	Aging Div IIIB Access Transportation 09/10 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Access Transportation 08/09 Contract # 47-08-OV-1676 CFDA 93.044	Aging Div IIIB Access Case Mgmt 09/10 Contract # 47-10-OV-1676 CFDA 93.044
Salaries and Fringe	\$ 13,088	\$ 15,907	\$ 39,804	\$ 42,285	\$ -	\$ -	\$ 13,878
Mileage, Lodging and Per Diem	548	247	92	638	-	-	-
Training, Registrations and Conferences	-	33	-	-	-	-	-
Space, Janitorial and Repairs	3,408	4,883	2,113	1,577	-	-	-
Vehicle Operation	293	253	20	236	-	-	-
Supplies and Printing	10	109	187	230	-	-	-
Newspaper Publication	-	173	719	357	-	-	-
Telephone and Postage	3,411	1,602	1,666	642	-	-	-
Copier Expense	1,095	955	133	114	-	-	-
Insurance	-	1,481	-	41	-	-	-
Other Expenses	15,552	10,637	192	299	-	-	8
Client Services	-	-	-	-	7,957	9,509	-
Older Hoosier Funds Subsidy	(2,339)	(2,185)	(2,647)	(4,630)	(450)	(615)	(941)
USDA Meals Subsidy	-	-	-	-	-	-	-
In-kind Expenses	11,036	8,274	7,820	4,280	1,050	353	4,324
	<u>\$ 46,102</u>	<u>\$ 42,369</u>	<u>\$ 50,099</u>	<u>\$ 46,069</u>	<u>\$ 8,557</u>	<u>\$ 9,247</u>	<u>\$ 17,269</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Family & Social Services Administration
Aging Division Programs:

	Aging Div IIIB Access Case Mgmt 08/09 Contract # 47-08-OV-1676 CFDA 93.044	Aging Div IIIB In-Home Transportation 09/10 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB In-Home Transportation 08/09 Contract # 47-08-OV-1676 CFDA 93.044	Aging Div IIIB In-Home Homemaker 09/10 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB In-Home Homemaker 08/09 Contract # 47-08-OV-1676 CFDA 93.044	Aging Div IIIB Other Ombudsman 09/10 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Other Ombudsman 08/09 Contract # 47-08-OV-1676 CFDA 93.044
Salaries and Fringe	\$ 13,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mileage, Lodging and Per Diem	689	-	-	-	-	-	-
Training, Registrations and Meetings	450	-	-	-	-	-	-
Space, Janitorial and Repairs	-	-	-	-	-	-	-
Vehicle Operation	-	-	-	-	-	-	-
Supplies and Printing	-	-	-	-	-	-	-
Newspaper Publication	-	-	-	-	-	-	-
Telephone and Postage	1,320	-	-	-	-	-	-
Copier Expense	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Other Expenses	525	-	-	-	-	-	-
Client Services	-	2,745	3,519	19,029	25,294	7,954	4,321
Older Hoosier Funds Subsidy	(1,560)	(140)	(376)	(1,067)	(1,400)	(221)	(248)
USDA Meals Subsidy	-	-	-	-	-	-	-
In-kind Expenses	1,666	326	205	2,647	2,147	1,153	209
	<u>\$ 16,187</u>	<u>\$ 2,931</u>	<u>\$ 3,348</u>	<u>\$ 20,609</u>	<u>\$ 26,041</u>	<u>\$ 8,886</u>	<u>\$ 4,282</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Family & Social Services Administration
Aging Division Programs:

	Aging Div IIIB Other Legal 09/10 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Other Legal 08/09 Contract # 47-08-OV-1676 CFDA 93.044	Aging Div IIIC Congregate Meals 09/10 Contract # 47-10-OV-1676 CFDA 93.045	Aging Div IIIC Congregate Meals 08/09 Contract # 47-08-OV-1676 CFDA 93.045	Aging Div ARRA Congregate Meals 09/10 Contract # 47-09-OV-1676 CFDA 93.707	Aging Div ARRA Congregate Meals Match 09/10 Contract # 47-09-OV-1676 CFDA N/A	Aging Div IIIC Home Del Meals 09/10 Contract # 47-10-OV-1676 CFDA 93.045
Salaries and Fringe	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mileage, Lodging and Per Diem	-	-	-	-	-	-	-
Training, Registrations and Meetings	-	-	-	-	-	-	-
Space, Janitorial and Repairs	-	-	-	-	-	-	-
Vehicle Operation	-	-	-	-	-	-	-
Supplies and Printing	-	-	-	-	-	-	-
Newspaper Publication	-	-	-	-	-	-	-
Telephone and Postage	-	-	-	-	-	-	-
Copier Expense	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-
Client Services	5,121	2,871	45,245	23,352	33,972	5,995	114,741
Older Hoosier Funds Subsidy	(221)	(173)	(4,084)	(854)	-	-	(6,515)
USDA Meals Subsidy	-	-	-	-	-	-	(17,229)
In-kind Expenses	3,633	883	10,066	3,833	-	-	15,952
	<u>\$ 8,533</u>	<u>\$ 3,581</u>	<u>\$ 51,227</u>	<u>\$ 26,331</u>	<u>\$ 33,972</u>	<u>\$ 5,995</u>	<u>\$ 106,949</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Family & Social Services Administration
Aging Division Programs:

	Aging Div IIIC Home Del Meals 08/09 Contract # 47-08-OV-1676 CFDA 93.045	Aging Div ARRA Home Del Meals 09/10 Contract # 47-09-OV-1676 CFDA 93.705	Aging Div ARRA Home Del Meals Match 09/10 Contract # 47-09-OV-1676 CFDA N/A	Aging Div IIID Prev Health 09/10 Contract # 47-10-OV-1676 CFDA 93.043	Aging Div IIID Prev Health 08/09 Contract # 47-08-OV-1676 CFDA 93.043	Aging Div IIIE Family Caregiver 09/10 Contract # 47-10-OV-1676 CFDA 93.052	Aging Div IIIE Family Caregiver 08/09 Contract # 47-08-OV-1676 CFDA 93.052
Salaries and Fringe	\$ -	\$ -	\$ -	\$ 3,681	\$ 4,131	\$ 8,054	\$ 9,016
Mileage, Lodging and Per Diem	-	-	-	-	1	-	-
Training, Registrations and Meetings	-	-	-	-	-	-	-
Space, Janitorial and Repairs	-	-	-	-	-	-	705
Vehicle Operation	-	-	-	-	-	-	-
Supplies and Printing	-	-	-	-	-	-	-
Newspaper Publication	-	-	-	-	-	-	-
Telephone and Postage	-	-	-	-	-	-	-
Copier Expense	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Other Expenses	18,268	-	-	3	-	16	18
Client Services	115,015	16,727	2,952	-	-	15,047	21,932
Older Hoosier Funds Subsidy	(6,800)	-	-	-	-	(2,100)	(1,088)
USDA Meals Subsidy	(14,552)	-	-	-	-	-	-
In-kind Expenses	9,503	-	-	-	-	10,523	(7,518)
	<u>\$ 121,434</u>	<u>\$ 16,727</u>	<u>\$ 2,952</u>	<u>\$ 3,684</u>	<u>\$ 4,132</u>	<u>\$ 31,540</u>	<u>\$ 23,065</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Family & Social Services Administration
Aging Division Programs:

	Aging Div VII Ombudsman Supplemental 08/09 Contract # 47-08-OV-1676 CFDA N/A	Aging Div Older Hoosier Funds 09/10 Contract # 47-10-OV-1676 CFDA N/A	Aging Div Older Hoosier Funds 08/09 Contract # 47-08-OV-1676 CFDA N/A	Aging Div S.S.B.G. Funds 09/10 Contract # 47-10-OV-1676 CFDA 93.667	Aging Div S.S.B.G. Funds 08/09 Contract # 47-08-OV-1676 CFDA 93.667	Aging Div CHOICE Funds 09/10 Contract # 47-10-OV-1676 CFDA N/A	Aging Div CHOICE Funds 09/10 Contract # 47-10-OV-1676 CFDA N/A
Salaries and Fringe	\$ -	\$ -	\$ -	\$ 45,150	\$ 51,359	\$ 113,765	\$ 106,139
Mileage, Lodging and Per Diem	-	-	-	2,958	3,827	2,121	1,444
Training, Registrations and Meetings	-	-	-	-	-	800	691
Space, Janitorial and Repairs	-	-	-	960	1,440	2,876	1,498
Vehicle Operation	-	-	-	-	-	563	146
Supplies and Printing	-	-	-	-	-	4,520	16,017
Newspaper Publication	-	-	-	-	-	-	-
Telephone and Postage	-	-	-	3,766	832	4,191	2,074
Copier Expense	-	-	-	637	470	540	664
Insurance	-	-	-	-	41	-	1,230
Other Expenses	-	-	-	4,767	5,296	28,884	29,291
Client Services	3,693	-	-	36,925	60,056	301,102	305,263
Older Hoosier Funds Subsidy	-	20,725	19,929	-	-	-	-
USDA Meals Subsidy	-	-	-	-	-	-	-
In-kind Expenses	-	-	-	-	-	-	-
	<u>\$ 3,693</u>	<u>\$ 20,725</u>	<u>\$ 19,929</u>	<u>\$ 95,163</u>	<u>\$ 123,321</u>	<u>\$ 459,362</u>	<u>\$ 464,457</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Family & Social Services Administration
Aging Division Programs:

	Aging Div NSIP Nutrition 09/10 Contract # 47-10-OV-1676 CFDA 93.053	Aging Div NSIP Nutrition 08/09 Contract # 47-08-OV-1676 CFDA 93.053	Aging Div Pre-Admission Screening 08/09 Contract # 47-10-OV-1676 CFDA N/A	Aging Div Pre-Admission Screening 08/09 Contract # 47-08-OV-1676 CFDA N/A	Aging Div TANF Family Caregiver 08/09 Contract # 47-08-OV-1676 CFDA 93.558	Aging Div Aging and Disability Resource Center 09/10 Contract # 47-10-OV-1676 CFDA N/A	Aging Div Aging and Disability Resource Center 08/09 Contract # 47-09-5K-1676 CFDA N/A	F.S.S.A. Aging Div Totals
Salaries and Fringe	\$ -	\$ -	\$ 39,820	\$ 44,973	\$ 498	\$ 20,003	\$ 22,574	\$ 607,222
Mileage, Lodging and Per Diem	-	-	507	263	-	-	907	14,242
Training, Registrations and Meetings	-	-	-	-	-	-	390	2,364
Space, Janitorial and Repairs	-	-	960	480	-	-	-	20,900
Vehicle Operation	-	-	-	-	-	-	155	1,666
Supplies and Printing	-	-	-	-	-	2,351	2,266	25,690
Newspaper Publication	-	-	-	-	-	-	173	1,422
Telephone and Postage	-	-	717	624	-	362	-	21,207
Copier Expense	-	-	333	381	-	-	-	5,322
Insurance	-	-	-	21	-	-	-	2,814
Other Expenses	-	-	1,870	934	-	915	7,868	125,343
Client Services	-	-	-	-	-	-	-	1,190,337
Older Hoosier Funds Subsidy	-	-	-	-	-	-	-	-
USDA Meals Subsidy	17,229	14,552	-	-	-	-	-	-
In-kind Expenses	-	-	-	-	-	-	-	92,365
	<u>\$ 17,229</u>	<u>\$ 14,552</u>	<u>\$ 44,207</u>	<u>\$ 47,676</u>	<u>\$ 498</u>	<u>\$ 23,631</u>	<u>\$ 34,333</u>	<u>\$ 2,110,894</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2008

Indiana Housing and Community Development Authority Summary:

	I.H.C.D.A. Community Svc Totals	I.H.C.D.A. Housing Rehab. Totals	I.H.C.D.A. Washington Co. Totals	I.H.C.D.A. Totals
Salaries and Fringe	\$ 725,081	\$ 28,365	\$ 14,166	\$ 767,612
Mileage, Lodging and Per Diem	19,661	3,842	-	23,503
Training, Registrations and Meetings	1,526	-	-	1,526
Space, Janitorial and Repairs	95,949	507	-	96,456
Vehicle Operation	4,882	2,000	-	6,882
Contracted Services	-	-	1,250	1,250
Supplies and Printing	64,990	739	121	65,850
Telephone and Postage	30,592	2,424	127	33,143
Copier Expense	9,978	-	-	9,978
Regular Assistance	2,355,508	-	-	2,355,508
Crisis Assistance	476,379	-	-	476,379
Cooling Assistance	203,982	-	-	203,982
Housing Assistance	892,339	-	-	892,339
Utility Assistance	52,837	-	-	52,837
Subcontractor Services	-	-	29,025	29,025
Contractor Payments	-	408,340	-	408,340
Insurance	16,457	219	-	16,676
Inter-co Support	67,000	30,326	64	97,390
Other Expenses	107,610	-	-	107,610
Client Services	359,886	-	-	359,886
	<u>\$ 5,484,657</u>	<u>\$ 476,762</u>	<u>\$ 44,753</u>	<u>\$ 6,006,172</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2008

Funded through the Indiana Housing and Community Development Authority
Community Services Division Programs:

	Comm Svc Div Weatherization Assist. For Low- Income Persons 09/10 WX-009-012 CFDA 81.042	Comm Svc Div Weatherization Assist. For Low- Income Persons 08/09 WX-007-012-02 CFDA 81.042	Comm Svc Div Weatherization Low-Income Home Energy Assist 09/10 WL-010-012 CFDA 93.568	Comm Svc Div Weatherization Low-Income Home Energy Assist 08/09 WL-008-012 CFDA 93.568	Comm Svc Div Weatherization Temporary Assist for Needy Families 08/09 WL-008-012 CFDA 93.558	Comm Svc Div Weatherization ARRA Home Energy Conservation 09/10 HEC-009-011 CFDA 81.042	Comm Svc Div Weatherization Owner Occupied Rehabilitation 08/09 DO-007-012 CFDA 14.239
Salaries and Fringe	\$ 48,010	\$ 46,186	\$ 12,134	\$ 58,042	4,230	\$ 29,193	\$ 14,056
Mileage, Lodging and Per Diem	1	-	-	369	(280)	-	-
Training, Registrations and Meetings	250	-	45	-	-	200	-
Space, Janitorial and Repairs	1,549	2,928	481	2,731	376	1,133	-
Vehicle Operation	116	537	22	2,101	634	965	-
Supplies and Printing	2,606	4,709	1	4,600	-	4,043	173
Telephone and Postage	1,170	1,058	479	2,399	199	2,462	22
Copier Expense	141	2	50	111	25	118	-
Regular Assistance	-	-	-	-	-	-	-
Crisis Assistance	-	-	-	-	-	-	-
Cooling Assistance	-	-	-	-	-	-	-
Housing Assistance	-	-	-	-	-	-	-
Utility Assistance	-	-	-	-	-	-	-
Insurance	-	7,578	-	1,708	2,954	-	-
Inter-co Support	-	-	-	-	-	-	-
Other Expenses	6,466	3,482	2,907	40,181	1,795	9,049	1,556
Subcontracted Client Services	40,976	47,359	18,119	112,109	11,772	91,712	25,564
	<u>\$ 101,285</u>	<u>\$ 113,839</u>	<u>\$ 34,238</u>	<u>\$ 224,351</u>	<u>\$ 21,705</u>	<u>\$ 138,875</u>	<u>\$ 41,371</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Housing and Community Development Authority
Community Services Division Programs:

	Comm Svc Div Energy Assist Low-Income Home Energy Assistance 09/10 LI-009-012 CFDA 93.568	Comm Svc Div Energy Assist Low-Income Home Energy Assistance 08/09 LI-009-012 CFDA 93.568	Comm Svc Div Energy Assist Low-Income Home Energy Assistance Leveraging 08/09 LI-007-012-02 CFDA 93.568	Indiana Foreclosure Prevention Network CFDA N/A	Section 8 Housing Choice Vouchers 2009 CFDA 14.871	Section 8 Housing Choice Vouchers 2010 CFDA 14.871	Community Services Block Grant CS-009-012 CFDA 93.569	Community Services Block Grant A.R.R.A. CS-ARRA-012 CFDA 93.710	Total IHCDA Community Services
Salaries and Fringe	\$ 52,795	\$ 198,675	\$ -	\$ 6,192	\$ 61,816	\$ -	\$ 139,405	\$ 54,347	\$ 725,081
Mileage, Lodging and Per Diem	327	2,145	-	-	6,841	94	10,164	-	19,661
Training, Registrations and Meetings	-	83	-	-	-	-	948	-	1,526
Space, Janitorial and Repairs	7,213	27,068	-	-	7,163	-	40,743	4,564	95,949
Vehicle Operation	64	156	-	-	65	-	222	-	4,882
Supplies and Printing	6,454	34,942	-	-	2,377	-	5,085	-	64,990
Telephone and Postage	3,326	8,085	-	-	2,903	-	8,489	-	30,592
Copier Expense	1,747	3,936	-	-	94	-	3,754	-	9,978
Regular Assistance	1,856,060	499,448	-	-	-	-	-	-	2,355,508
Crisis Assistance	241,764	230,373	4,242	-	-	-	-	-	476,379
Cooling Assistance	-	203,982	-	-	-	-	-	-	203,982
Housing Assistance	-	-	-	-	816,810	75,529	-	-	892,339
Utility Assistance	-	-	-	-	48,604	4,233	-	-	52,837
Insurance	-	2,175	-	-	333	-	1,709	-	16,457
Inter-co Support	-	-	-	-	-	-	67,000	-	67,000
Other Expenses	9,460	54,441	-	2	24,163	-	(47,092)	1,200	107,610
Subcontracted Client Services	-	-	-	-	-	-	8,558	3,717	359,886
	<u>\$ 2,179,210</u>	<u>\$ 1,265,509</u>	<u>\$ 4,242</u>	<u>\$ 6,194</u>	<u>\$ 971,169</u>	<u>\$ 79,856</u>	<u>\$ 238,985</u>	<u>\$ 63,828</u>	<u>\$ 5,484,657</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through Indiana Housing and Community Development Authority
Housing Rehabilitation Programs:

	HOME Funds Lost River II Pre-Dev <u>CFDA 14.239</u>	HOME Funds Taylor Apts. Pre-Dev <u>CFDA 14.239</u>	HOME Funds Taylor Apts. Acquis/Rehab <u>CFDA 14.239</u>	HOME Funds C.H.D.O. Works <u>CFDA 14.239</u>	City of Mitchell C.D.B.G. Rehab Grants <u>CFDA 14.228</u>
Salaries and Fringe	\$ -	\$ -	\$ 7,755	\$ 1,956	\$ 844
Mileage, Per Diem, Lodging and Travel	-	-	834	2,483	364
Space Costs, Repair and Janitorial	-	-	-	507	-
Design and Engineering	-	-	2,000	-	-
Program Supplies	-	-	56	419	184
Telephone and Postage	-	-	-	762	492
Contractor Payments	-	-	14,804	75	116,820
Insurance	-	-	-	219	-
Other Expenses	857	3,318	5,524	2,919	7,662
	<u>\$ 857</u>	<u>\$ 3,318</u>	<u>\$ 30,973</u>	<u>\$ 9,340</u>	<u>\$ 126,366</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through Indiana Housing and Community Development Authority
Housing Rehabilitation Programs:

	Orange Co. C.D.B.G. Rehab Grants CFDA 14.228	Town of Paoli C.D.B.G. Rehab Grants CFDA 14.228	Washington Co C.D.B.G. Rehab Grants CFDA 14.228	Loogootee RECAP Facade Renovation #2 CFDA N/A	Loogootee RECAP Facade Renovation #1 CFDA N/A	I.H.C.D.A. Housing Rehab Totals
Salaries and Fringe	\$ 2,187	\$ 2,187	\$ 2,188	\$ 11,248	\$ -	\$ 28,365
Mileage, Per Diem, Lodging and Travel	144	-	17	-	-	3,842
Space Costs, Repair and Janitorial	-	-	-	-	-	507
Design and Engineering	-	-	-	-	-	2,000
Program Supplies	-	-	80	-	-	739
Telephone and Postage	616	-	554	-	-	2,424
Contractor Payments	104,502	-	105,600	56,539	10,000	408,340
Insurance	-	-	-	-	-	219
Other Expenses	4,281	2	5,006	757	-	30,326
	<u>\$ 111,730</u>	<u>\$ 2,189</u>	<u>\$ 113,445</u>	<u>\$ 68,544</u>	<u>\$ 10,000</u>	<u>\$ 476,762</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2008

Funded through the Indiana Housing and Community Development Authority
via Washington County Commissioners:

	<u>Washington Co. Home Repair & Improvement CFDA 14.228</u>
Salaries and Fringe	\$ 14,166
Contracted Services	1,250
Supplies and Printing	121
Telephone and Postage	127
Subcontractor Services	29,025
Other Expenses	<u>64</u>
	<u>\$ 44,753</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana State Department of Health:

	Patoka CHC 09/10 Contract # CHC 966-4 CFDA N/A	Patoka CHC 08/09 Contract # CHC 966-4 CFDA N/A	Daviess Co. CHC 09/10 Contract # CHC 966-19 CFDA N/A	Daviess Co. CHC 08/09 Contract # CHC 966-19 CFDA N/A	Pike Co. CHC 09/10 Contract # CHC 966-19 CFDA N/A	Pike Co. CHC 08/09 Contract # CHC 966-19 CFDA N/A	Martin Co. CHC 09/10 Contract # CHC 966-18 CFDA N/A	Martin Co. CHC 08/09 Contract # CHC 966-18 CFDA N/A
Salaries and Fringe	\$ 3,705	\$ 9,839	\$ 4,011	\$ 18,569	\$ 3,664	\$ 20,131	\$ 4,137	\$ 1,940
Mileage, Per Diem, Lodging and Travel	59	41	77	155	98	295	39	109
Training and Registrations	-	-	-	-	-	-	-	-
Clinic Operations	76,971	40,150	65,133	114,626	72,353	121,508	54,280	33,955
Contracted Services	-	-	-	-	-	-	-	-
Space Costs	-	-	-	-	-	-	-	-
Supplies and Printing	-	(33)	6	(478)	-	(341)	-	(8)
Telephone and Postage	13	1	31	277	31	108	10	-
Copier	30	8	7	45	6	53	14	8
Insurance	-	-	-	332	-	332	-	-
Other Expenses	2,256	847	2,259	5,272	2,264	5,271	2,256	1,505
	<u>\$ 83,034</u>	<u>\$ 50,853</u>	<u>\$ 71,524</u>	<u>\$ 138,798</u>	<u>\$ 78,416</u>	<u>\$ 147,357</u>	<u>\$ 60,736</u>	<u>\$ 37,509</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana State Department of Health:

	T.B. Prevention 2009 Contract # TB 966-17 <u>CFDA 93.116</u>	Diabetes Control Contract # DG 966-16 <u>CFDA 93.988</u>	Womens Health Assistance 09/10 Contract # ASSIST 966-20 <u>CFDA 93.088</u>	Womens Health Assistance 08/09 Contract # ASSIST 966-20 <u>CFDA 93.088</u>	Martin Co. WIC 09/10 Contract # WIC 966-12 <u>CFDA 10.557</u>	Martin Co. WIC 08/09 Contract # WIC 966-12 <u>CFDA 10.557</u>	I.S.D.H. Totals
Salaries and Fringe	\$ 66,766	\$ -	\$ 12,182	\$ 25,079	\$ 10,642	\$ 33,361	\$ 214,026
Mileage	7,219	-	256	1,820	-	912	11,080
Training and Registrations	65	-	-	85	-	-	150
Clinic Operations	-	-	-	-	-	-	578,976
Contracted Services	-	2,450	339	-	-	-	2,789
Space Costs	-	-	-	-	723	2,168	2,891
Supplies and Printing	248	-	195	1,794	-	1,875	3,258
Telephone and Postage	1,036	-	9	38	218	440	2,212
Copier	11	-	77	130	27	174	590
Insurance	-	-	-	-	-	37	701
Other Expenses	3,558	-	4,307	23,092	667	2,021	55,575
	<u>\$ 78,903</u>	<u>\$ 2,450</u>	<u>\$ 17,365</u>	<u>\$ 52,038</u>	<u>\$ 12,277</u>	<u>\$ 40,988</u>	<u>\$ 872,248</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Department of Education:

	Child and Adult Food and Nutrition CFDA 10.558	21st Century Learning Centers Program Mitchell CFDA 84.287C	21st Century Learning Centers Program Orleans CFDA 84.287C	21st Century Learning Centers Program Paoli CFDA 84.287C	21st Century Learning Centers Program W Washington CFDA 84.287C	21st Century Learning Centers Program Springs Valley CFDA 84.287C	Indiana Dept of Education Totals
Salaries and Fringe	\$ -	\$ 118,462	\$ 88,390	\$ 108,419	\$ 98,090	\$ 85,632	\$ 498,993
Mileage, Travel, Lodging and Per Diem	-	2,863	1,526	4,284	1,632	4,000	14,305
Training and Registrations	-	143	463	294	1,660	448	3,008
Equipment Purchases	3,465	-	-	-	322	1,498	5,285
Food and Kitchen	116,000	-	-	-	-	-	116,000
Supplies and Printing	391	19,357	6,969	18,706	15,745	16,608	77,776
Telephone and Postage	102	489	358	401	400	358	2,108
Contracted Services	-	6,000	4,949	3,083	8,917	19,269	42,218
Copier Expenses	-	3,679	1,162	1,281	916	567	7,605
Transportation Costs	-	1,650	11,970	1,634	11,795	14,195	41,244
Insurance	-	364	364	364	364	364	1,820
Other Expenses	19,301	8,719	8,696	6,965	7,341	11,750	62,772
	<u>\$ 139,259</u>	<u>\$ 161,726</u>	<u>\$ 124,847</u>	<u>\$ 145,431</u>	<u>\$ 147,182</u>	<u>\$ 154,689</u>	<u>\$ 873,134</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through the Indiana Department of Insurance

	State Health Insurance Assistance (SHIP) <u>CFDA 93.779</u>
Salaries and Fringe	\$ 4,567
Supplies and Printing	430
Other Expenses	<u>2,485</u>
	<u>\$ 7,482</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31,2009

Funded through the Indiana Tobacco Use Prevention and Cessation
Prevention Initiatives Programs:

	Crawford County Tobacco Prevention CFDA N/A	Daviess County Tobacco Prevention CFDA N/A	Lawrence County Tobacco Prevention CFDA N/A	Martin County Tobacco Prevention CFDA N/A	Pike County Tobacco Prevention CFDA N/A	Lawrence County Tobacco Navigation CFDA N/A	Tobacco Prevention and Cessation Totals
Salaries and Fringe	\$ 4,100	\$ 28,462	\$ 36,219	\$ 12,778	\$ 14,843	\$ 17,631	\$ 114,033
Mileage, Lodging and Per Diem	572	1,885	1,724	813	1,844	111	6,949
Training, Registrations and Conferences	-	685	487	175	175	-	1,522
Contracted Services	-	1,775	5,102	25	3,630	(75)	10,457
Supplies and Printing	607	1,179	1,000	865	1,056	1,935	6,642
Telephone and Postage	(34)	796	182	478	796	389	2,607
Copier Expense	108	158	237	127	146	-	776
Other Expenses	1,134	5,571	1,336	2,255	3,759	16,721	30,776
	<u>\$ 6,487</u>	<u>\$ 40,511</u>	<u>\$ 46,287</u>	<u>\$ 17,516</u>	<u>\$ 26,249</u>	<u>\$ 36,712</u>	<u>\$ 173,762</u>

PROGRAM C - HEALTHCARE DIVISION

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Healthcare Division:

	<u>Healthcare Division</u>
Salaries and Fringe	\$ 2,606,919
Mileage, Lodging and Per Diem	313,464
Training, Registrations and Conferences	14,554
Space Costs	41,115
Equipment	10,499
Supplies and Printing	67,283
Billable Medical Supplies	29,001
Telephone and Postage	47,754
Copier Expense	13,892
Public Information	63,195
Insurance	15,765
Other Expenses	266,272
Purchased Services - Hospice	<u>640,784</u>
	<u>\$ 4,130,497</u>

PROGRAM D - GENERAL

Hoosier Uplands Economic Development Corporation and Subsid
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2009

Funded through Local Agreements, Donations and Fundraisers:

	Local Programs Total
	<u> </u>
Salaries and Fringe	\$ 789,572
Mileage, Per Diem, Lodging and Travel	31,493
Space Costs, Repair and Janitorial	91,614
Employee Morale	1,083
Interest Expense	3,092
Utilities	8,181
Management Fees	1,967
Program Supplies	114,116
Telephone and Postage	89,928
Copier Costs	32,998
Direct Client Assistance	38,733
Subcontracted Svcs	35,527
Insurance	29,524
Depreciation	326,959
Write down of notes receivable	184,915
Other Costs	199,877
	<u> </u>
	<u>\$ 1,979,579</u>

NEW HORIZON APARTMENTS

PERSIMMON PARK APARTMENTS

NEW HORIZON APARTMENTS
(A Project Owned and Operated by Hoosier Uplands
Economic Development Corporation)

STATEMENT OF FINANCIAL POSITION
December 31, 2009

<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 62,998
Tenant accounts receivable	8,073
Rental assistance receivable	5,981
TOTAL CURRENT ASSETS	77,052
 RESTRICTED DEPOSITS AND FUNDED RESERVES	
Tenant security deposits	9,963
Reserve for replacements	46,020
TOTAL RESTRICTED DEPOSITS AND FUNDED RESERVES	55,983
 PROPERTY AND EQUIPMENT	
Land	60,000
Building and improvements	2,948,004
Furniture and equipment	54,015
	3,062,019
Less accumulated depreciation	(353,784)
PROPERTY AND EQUIPMENT, NET	2,708,235
TOTAL ASSETS	\$ 2,841,270
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Current portion of long-term debt	\$ 10,978
Accounts payable	5,440
Accrued expenses	500
Accrued interest	3,269
TOTAL CURRENT LIABILITIES	20,187
 DEPOSIT LIABILITIES	
Security deposit liability	9,963
 LONG-TERM LIABILITIES	
Advances from Hoosier Uplands Economic Development Corporation	269,492
Long-term debt, less current portion	1,876,675
TOTAL LIABILITIES	2,176,317
NET ASSETS	664,953
TOTAL LIABILITIES AND NET ASSETS	\$ 2,841,270

NEW HORIZON APARTMENTS
 (A Project Owned and Operated by Hoosier Uplands
 Economic Development Corporation)

STATEMENT OF ACTIVITIES
 for the year ended December 31, 2009

REVENUE

Net rental income	\$ 228,914
Grant fund subsidy revenue	20,000
Laundry and vending income	3,591
Other income	8
	8

TOTAL REVENUE	252,513
----------------------	----------------

EXPENSES

Administrative expenses	79,572
Utilities	41,742
Operating and maintenance	58,835
Insurance	31,923
Interest expense	39,492
Depreciation	58,960
	58,960

TOTAL EXPENSES	310,524
-----------------------	----------------

CHANGE IN NET ASSETS	(58,011)
-----------------------------	-----------------

NET ASSETS

Balance, beginning of year	722,964
Balance, end of year	\$ 664,953

PERSIMMON PARK APARTMENTS
(A Project Owned and Operated by Hoosier Uplands
Economic Development Corporation)

STATEMENT OF FINANCIAL POSITION
December 31, 2009

<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 37,214
Tenant accounts receivable	12,722
Rental assistance receivable	5,191
Prepaid insurance	<u>3,398</u>
TOTAL CURRENT ASSETS	<u>58,525</u>
 RESTRICTED DEPOSITS AND FUNDED RESERVES	
Tenant security deposits	12,879
Reserve for replacements	<u>45,261</u>
TOTAL RESTRICTED DEPOSITS AND FUNDED RESERVES	<u>58,140</u>
 PROPERTY AND EQUIPMENT	
Land	112,500
Building and improvements	3,455,474
Furniture and equipment	<u>20,590</u>
	3,588,564
Less accumulated depreciation	<u>(254,065)</u>
PROPERTY AND EQUIPMENT, NET	<u>3,334,499</u>
TOTAL ASSETS	<u><u>\$ 3,451,164</u></u>
 <u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Current portion of long-term debt	\$ 28,813
Accrued expenses	500
Accrued interest	<u>4,162</u>
TOTAL CURRENT LIABILITIES	33,475
 DEPOSIT LIABILITIES	
Security deposit liability	12,879
 LONG-TERM LIABILITIES	
Advances from Hoosier Uplands Economic Development Corporation	198,850
Long-term debt, less current portion	<u>2,460,312</u>
TOTAL LIABILITIES	2,705,516
NET ASSETS	<u>745,648</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,451,164</u></u>

PERSIMMON PARK APARTMENTS
(A Project Owned and Operated by Hoosier Uplands
Economic Development Corporation)

STATEMENT OF ACTIVITIES
for the year ended December 31, 2009

REVENUE

Net rental income	\$	231,500
Grant fund subsidy revenue		15,000
Laundry and vending income		2,689
Other income		452
		452

TOTAL REVENUE		249,641
----------------------	--	---------

EXPENSES

Administrative expenses		74,356
Utilities		30,005
Operating and maintenance		53,116
Insurance		21,028
Interest expense		49,900
Depreciation		72,262
		72,262

TOTAL EXPENSES		300,667
-----------------------	--	---------

CHANGE IN NET ASSETS		(51,026)
-----------------------------	--	----------

NET ASSETS

Balance, beginning of year		796,674
Balance, end of year	\$	745,648

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the period January 1, 2009 to December 31, 2009

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>		
<u>Directly from Department of Health and Human Services:</u>		
Cluster: Head Start	93.600	\$ 2,383,807
Head Start ARRA Discretionary	93.708	91,924
Early Head Start ARRA Discretionary	93.709	40,378
Drug Free Communities	93.276	<u>82,784</u>
Total directly received from the Department of Health and Human Service		<u>2,598,892</u>
<u>Passed through Indiana State Department of Health:</u>		
Office of Womens Health Diabetes Control	93.088	69,404
Diabetes Control	93.988	2,450
T.B. Prevention	93.116	<u>78,904</u>
Total passed through the Indiana State Department of Health		<u>150,757</u>
<u>Passed through Indiana State Department of Insurance:</u>		
State Health Insurance Assistance (SHIP)	93.779	<u>7,482</u>
Total passed through the Indiana State Department of Insurance		<u>7,482</u>
<u>Passed through Indiana Housing and Community Dev. Authority:</u>		
Cluster: ARRA Community Services Block Grant	93.710	63,827
Community Services Block Grant	93.569	238,987
Low-income Home Energy Assistance	93.568	3,773,031
Temporary Assistance for Needy Families	93.558	<u>21,705</u>
Total passed through the Indiana Housing and Community Development Authority		<u>4,097,550</u>
<u>Passed through Indiana University:</u>		
A.H.E.C.	93.824	<u>146,444</u>
Total passed through Indiana University		<u>146,444</u>
<u>Passed through Indiana Family and Social Services Administration:</u>		
Cluster: ARRA Congregate Meals	93.707	33,972
ARRA Home Delivered Meals	93.705	16,727
IIIA Administration	93.044	69,161
IIIB Access Case Management	93.044	27,466
IIIB Access Information & Referral	93.044	84,069
IIIB Access Transportation	93.044	16,400
IIIB In Home Homemaker	93.044	41,856
IIIB IN Home Transportation	93.044	5,748
IIIB Legal	93.044	7,598
IIIB Ombudsman	93.044	11,805
IIIC Home Delivered Meals	93.045	202,928
IIIC Congregate Meals	93.045	63,659
Elderly Nutrition (NSIP)	93.053	31,782
IIID Preventative Health	93.043	7,816
IIIB Family Caregiver	93.052	51,599
Pre-Admission Screening	93.778	91,883
Strategic Prevention - S.I.G.	93.243	90,882
S.S.B.G.	93.667	218,483
TANF	93.558	<u>498</u>
Total passed through the Indiana Family and Social Services Administration		<u>1,074,333</u>
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>8,075,458</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-Continued
for the period January 1, 2009 to December 31, 2009

U.S. Department of Agriculture

Directly from Department of Agriculture:

USDA Rural Development Housing Preservation	10.433	<u>64,722</u>
Total directly received from the Department of Agriculture		<u>64,722</u>

Passed through Indiana State Department of Health:

WIC Martin County	10.557	<u>53,264</u>
Total passed through the Indiana State Department of Health		<u>53,264</u>

Passed through Indiana State Department of Education:

Child and Adult Food and Nutrition Program	10.558	<u>139,260</u>
Total passed through the Indiana State Department of Education		<u>139,260</u>

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF AGRICULTURE

257,246

U.S. Department of Housing and Urban Development

Directly from Department of Housing and Urban Development:

HUD Housing Counseling	14.169	<u>29,573</u>
Total directly received from the U.S. Department of Housing and Urban Development		<u>29,573</u>

Passed through Indiana Housing and Community Dev. Authority:

Section 8 Housing Choice Vouchers	14.871	1,050,509
HOME Investment Partnerships Program	14.239	<u>146,858</u>
Total passed through the Indiana Housing and Community Development Authority		1,197,367

Passed through the City of Mitchell:

City of Mitchell C.D.B.G.	14.228	<u>126,365</u>
Total passed through the City of Mitchell		<u>126,365</u>

Passed through Orange County Commissioners:

Orange County C.D.B.G.	14.228	<u>111,731</u>
Total passed through the Orange County Commissioners		<u>111,731</u>

Passed through the Town of Paoli:

Town of Paoli C.D.B.G.	14.228	<u>2,189</u>
Total passed through the Town of Paoli		<u>2,189</u>

Passed through Washington County Commissioners:

Washington County C.D.B.G.	14.228	<u>113,445</u>
Total passed through the Washington County Commissioners		<u>113,445</u>

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

1,580,670

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-Continued
for the period January 1, 2009 to December 31, 2009

U.S. Department of Energy

Passed through Indiana Housing and Community Dev. Authority:

ARRA Home Energy Conservation	81.042	138,875
Weatherization Assistance for Low-Income Persons	81.042	<u>215,124</u>

Total passed through the Indiana Housing and Community Development Authority		<u>353,999</u>
--	--	----------------

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF ENERGY		<u>353,999</u>
--	--	----------------

U.S. Department of Education

Passed through Indiana State Department of Education:

21st Century Learning Center Program	84.287C	<u>733,879</u>
--------------------------------------	---------	----------------

Total passed through the Indiana State Department of Education		<u>733,879</u>
--	--	----------------

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF EDUCATION		<u>733,879</u>
---	--	----------------

TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 11,001,252</u></u>
---	--	-----------------------------

NOTE A - Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of HUEDC and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.



**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**

Board of Directors
Hoosier Uplands Economic Development Corporation
and Subsidiary
Mitchell, Indiana

We have audited the financial statements of Hoosier Uplands Economic Development Corporation (a non-profit organization) and Subsidiary as of and for the year ended December 31, 2009, and have issued our report thereon dated August 17, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hoosier Uplands Economic Development Corporation and Subsidiary' internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A deficiency in internal controls 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 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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hoosier Uplands Economic Development Corporation and Subsidiary's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McCauley, Nicolas & Company, LLC

McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
August 17, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Hoosier Uplands Economic Development Corporation
and Subsidiary
Mitchell, Indiana

Compliance

We have audited the compliance of Hoosier Uplands Economic Development Corporation (a nonprofit organization) and Subsidiary with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. Hoosier Uplands Economic Development Corporation and Subsidiary's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of Hoosier Uplands Economic Development Corporation and Subsidiary's management. Our responsibility is to express an opinion on Hoosier Uplands Economic Development Corporation and Subsidiary's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Hoosier Uplands Economic Development Corporation and Subsidiary'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. Our audit does not provide a legal determination of Hoosier Uplands Economic Development Corporation and Subsidiary's compliance with those requirements.

In our opinion, Hoosier Uplands Economic Development Corporation and Subsidiary complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of Hoosier Uplands Economic Development Corporation and Subsidiary is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Hoosier Uplands Economic Development Corporation and Subsidiary's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Hoosier Uplands Economic Development Corporation and Subsidiary'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.

Our consideration of internal control over compliance was for the limited purposed described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McCauley, Nicolas & Company, LLC

McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
August 17, 2010

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS for the year ended December 31, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Hoosier Uplands Economic Development Corporation and Subsidiary.
2. No reportable conditions were disclosed during the audit of the financial statements reported in the 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 Hoosier Uplands Economic Development Corporation and Subsidiary were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs as reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Hoosier Uplands Economic Development Corporation and Subsidiary expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Hoosier Uplands Economic Development Corporation and Subsidiary.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA #</u>
<u>Head Start Cluster:</u>	
Head Start	93.600
ARRA – Head Start	93.708
ARRA - Early Head Start	93.709
<u>Weatherization Cluster:</u>	
Weatherization Assistance for Low Income Persons	81.042
ARRA - Weatherization Assistance for Low Income Persons	81.042
Section 8 Housing Choice Vouchers	14.871
<u>CSBG Cluster:</u>	
Community Services Block Grant	93.569
ARRA - Community Services Block Grant	93.710
Community Development Block Grants	14.228
<u>Aging Cluster:</u>	
Title III, Part B – Grants for Supportive Services and Senior Centers	93.044
Title III, Part C – Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
ARRA - Aging Home-Delivered Nutrition Services for States	93.705
ARRA – Aging Congregate Nutrition Services for States	93.707

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
for the year ended December 31, 2009**

A. SUMMARY OF AUDIT RESULTS - continued

- 8. The threshold for distinguishing Types A and B programs was \$330,038.
- 9. Hoosier Uplands Economic Development Corporation and Subsidiary was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

<u>Findings</u>	<u>Questioned Costs</u>
None	None

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

Mitchell, Indiana

EXIT CONFERENCE

Subsequent to the conclusion of the audit, an exit conference was held. Those in attendance, along with those associated with the audit report are as follows:

Representatives of the Agency:

David Miller, Executive Director

Dale Hoffman, Fiscal Director

Representatives of McCauley, Nicolas & Company, LLC:

John C. Pieper, Member

Karen Y. Basham, Manager

The following matters were discussed at the exit conference:

- A. The format and content of the audit report draft.
- B. The Agency's review and approval of the audit report.