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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, 2011 to December 31, 2011. 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, 2011, 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, 2011

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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) (collectively, the "Organization") as of December 31, 2011, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization'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 above present fairly, in all material respects, the financial position of the Organization as of December 31, 2011, 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 September 17, 2012, on our consideration of the Organization'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.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the Organization as a whole. The Schedule of Functional Expenses on pages 17 through 50 and the Statement of Financial Position and Statement of Activities for New Horizon Apartments, Persimmon Park Apartments, and Taylor Apartments on pages 51 through 56 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements of the Organization. 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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

McCauley, Nicolas & Company, LLC

McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
September 17, 2012

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2011

ASSETS

CURRENT ASSETS

Cash	\$ 2,574,620
Certificates of deposit	4,327,734
Investments	4,060,664
Grants receivable	1,640,718
Patient receivables, net	671,865
Accounts receivable	549,741
Other assets	50,171

TOTAL CURRENT ASSETS 13,875,513

Property and equipment, net	21,352,173
Notes receivable from related entities	2,048,175
Development fee receivable	89,331

TOTAL ASSETS \$ 37,365,192

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 204,201
Accounts payable	1,233,176
Other liabilities	862,082
Unearned revenue/grants payable	400,773

TOTAL CURRENT LIABILITIES 2,700,232

Long-term debt, net of current maturities	7,301,062
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TOTAL LIABILITIES 10,001,294

Net assets - unrestricted	27,363,898
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TOTAL LIABILITIES AND NET ASSETS \$ 37,365,192

See notes to consolidated financial statements.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

for the year ended December 31, 2011

REVENUES AND OTHER SUPPORT	
Contract and program revenue	\$ 13,554,779
Healthcare revenue	5,003,491
Miscellaneous revenue	6,679,137
In-kind revenue	729,632
Interest income	439,498
Rental income	<u>645,843</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>27,052,380</u>
EXPENSES	
Program A - Federal Programs	
U.S. Department of Health & Human Services	3,303,144
U.S. Department of Health & Human Services - Pass Throughs	236,779
U.S. Department of Agriculture Rural Development	73,760
U.S. Department of Agriculture - Pass Throughs	15,640
U.S. Department of Housing and Urban Development	29,685
Program B - State Programs	
Indiana Family & Social Services Administration	1,984,689
Indiana Housing and Community Development Administration	6,155,517
Indiana State Department of Health	792,600
Indiana Department of Education	1,014,087
Indiana Department of Insurance	13,821
Indiana Tobacco Use Prevention and Cessation Prevention Initiatives	97,380
Program C - Healthcare Division	
Healthcare programs	4,123,716
Program D - General	
Local programs	<u>2,262,717</u>
TOTAL EXPENSES	<u>20,103,535</u>
CHANGE IN NET ASSETS	6,948,845
NET ASSETS, beginning of year	<u>20,415,053</u>
NET ASSETS, end of year	<u>\$ 27,363,898</u>

See notes to consolidated financial statements.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 6,948,845
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	468,962
Amortization of bond premium/discount	(90,653)
(Increase) decrease in:	
Grants receivable	(41,233)
Patient receivables	250,456
Accounts receivable	(444,966)
Other assets	(39,989)
Increase (decrease) in:	
Accounts payable	529,622
Other liabilities	30,085
Unearned revenue/grants payable	<u>170,370</u>
Net cash provided by operating activities	<u>7,781,499</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(6,654,049)
Purchase of investments, net	(795,125)
Decrease in certificates of deposit, net	<u>1,255,390</u>
Net cash (used) by investing activities	<u>(6,193,784)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of long-term debt	308,506
Payments on long-term debt	<u>(302,250)</u>
Net cash (used) by financing activities	<u>6,256</u>
NET INCREASE IN CASH	1,593,971
CASH	
Beginning of year	<u>980,649</u>
End of year	<u>\$ 2,574,620</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS	
Purchase of property and equipment	\$ 6,962,555
Less proceeds from long-term debt	<u>(308,506)</u>
CASH PAYMENTS FOR PURCHASE OF PROPERTY AND EQUIPMENT	<u>\$ 6,654,049</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Interest paid	<u>\$ 113,259</u>

See notes to consolidated financial statements.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Hoosier Uplands Economic Development Corporation (HUEDC) and Subsidiary (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 wholly-owned 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, Pike, Dubois, 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 & Social Services Administration, Medicare/Medicaid, U.S. Department of Health and Human Services, Indiana Housing and 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, 2011

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, 2011.

Investments and Market Risk

Investments are valued at fair market value. HUEDC has investments in money market funds 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 for patient receivable was required at December 31, 2011. No other allowances were deemed necessary.

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, 2011

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
Vehicles	5 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 and 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.

Advertising

HUEDC expenses advertising costs as incurred. Total advertising expense, principally for its Healthcare Division, for the year ended December 31, 2011 was approximately \$68,000.

Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 855, the Entities have evaluated events and transactions for potential recognition or disclosure through September 17, 2012, the date the financials were available to be issued.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
December 31, 2011

NOTE 2—FAIR VALUE MEASUREMENT

The financial statements reflect the 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, 2011 consisted of the following:

	Cost	Market Value		
		Level 1	Level 2	Level 3
Money Market Funds	\$ 396,380	\$ 396,380	\$ -	\$ -
Government Bonds	3,664,284	3,664,284	-	-
	<u>\$ 4,060,664</u>	<u>\$ 4,060,664</u>	<u>\$ -</u>	<u>\$ -</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued December 31, 2011

NOTE 3—GRANTS RECEIVABLES

Grants receivable at December 31, 2011, consist of the following:

Indiana Housing and Community Development Authority	\$ 557,808
Indiana Department of Family & Social Services	460,346
U.S. Department of Health and Human Services	85,404
Indiana State Department of Health	280,449
Indiana University (AHEC)	104,964
Indiana Department of Education	125,805
Indiana Criminal Justice Association	4,857
Indiana Department of Insurance	9,555
Rural Development	11,420
Indiana Commission for Higher Education	110
	<u>\$ 1,640,718</u>

NOTE 4—PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2011, consist of the following:

Land	\$ 1,249,588
Buildings and building improvements	21,427,588
Office furniture and equipment	642,921
Home Health equipment	175,188
Vehicles	862,037
Construction in process	410,986
	<u>24,768,308</u>
Less accumulated depreciation	(3,416,135)
Property and equipment, net	<u>\$ 21,352,173</u>

Depreciation expense charged to operations was \$468,962 for the year ended December 31, 2011.

NOTE 5—NOTES RECEIVABLE FROM RELATED ENTITIES

Following is a summary of notes receivable from related entities (related through common ownership) at December 31, 2011:

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, 2011

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 5%, 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.		493,500
Note receivable from Stalker School Apartments, L.P. bearing interest at 5%, with principal and interest due upon maturity at December 31, 2012. Secured by apartment buildings.		<u>162,500</u>
		3,532,500
Less provision for possible uncollectability		<u>(1,484,325)</u>
Total notes receivable from related entities		<u>\$ 2,048,175</u>

See NOTE 6 for additional information.

NOTE 6—RELATED PARTY INFORMATION/INVESTMENTS

Although the above notes bear interest, HUEDC has recorded interest income of approximately \$205,000 during the year ended December 31, 2011 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 and allowance recognized recorded is \$1,395,419 at December 31, 2011.

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.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued December 31, 2011

NOTE 6—RELATED PARTY INFORMATION/INVESTMENTS—Continued

During prior years, HUEDC had contributed a total of \$1,530 in Shawnee Development Corporation (Shawnee) in order for Shawnee to fund a general partnership 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.

NOTE 7—RELATED PARTY INFORMATION/DEVELOPMENT FEE RECEIVABLE

In a prior year, HUEDC had earned a development fee of \$518,746 for its services in connection with the development of Aspen Meadows, L.P. HUEDC received payments totaling \$464,415 through December 31, 2011. The remaining development fee at December 31, 2011 of \$54,331 will be paid from the Net Cash Flow of the Partnership.

Additionally, HUEDC earned a development fee of \$360,135 for its services in connection with the development of Lost River Place, L.P. HUEDC had earned the entire development fee in a prior year and received payments totaling \$350,135 through December 31, 2011. The remaining \$10,000 was receivable at December 31, 2011.

During 2011, HUEDC earned a development fee of \$291,617 for its services in connection with the development of College Hills, LLC. HUEDC received payments totaling \$266,617 through December 31, 2011. The remaining \$25,000 was receivable at December 31, 2011.

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, 2011 was \$400,773.

Unearned revenue/grants payable at December 31, 2011 consists of the following:

IHCDA Section 8	\$	125,071
IHCDA - HEC ARRA		100,000
Lost River II		113,625
Tobacco grants		45,904
Strategic Prevention Framework State Incentive Grant		13,008
Martin Health Maintenance		867
Lawrence County Community Foundation		2,298
		<hr/>
	\$	<u>400,773</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued

December 31, 2011

NOTE 9—LONG-TERM DEBT

Following is a summary of long-term debt at December 31, 2011:

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	\$ 166,667
Note payable to Integra Bank National Association, payable in monthly installments of \$3,080 through June 2019. 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.	986,442
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.	1,022,409
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.	749,719
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.	92,512
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.	1,286,552
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.	981,577
Note payable to Indiana Housing and Community Development Authority. The note carries a zero interest rate. Commencing on the first anniversary of the Conversion Date (July 22, 2010), 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.	1,657,804
Mortgage payable to Rural Housing Development Corporation, payable in monthly installments of \$487 through July 2060. The actual interest rate on the note is 4.875%, but is discounted to approximately 1% through a monthly subsidy allowance of \$537 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex.	<u>227,990</u>
Balance forward	7,171,672

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
December 31, 2011

NOTE 9—LONG-TERM DEBT—Continued

	Balance forward	7,171,672
Note payable to Indiana Housing and Community Development Authority, payable in semi-annual installments of \$1,157 through October 2022. The note carries no interest. The note is secured by an apartment complex.		25,083
Draw down construction note payable to Old National Bank, with \$4,250,000 total available. Bearing interest at prime rate plus 1% with a floor of 4.25%. Monthly payments of accrued interest to begin in January 2012, with balloon due June 2013.		263,508
Note payable to Indiana Housing and Community Development Authority, payable in annual installments through October 2023. The note carries no interest. Mortgage is secured by apartment complex.		<u>45,000</u>
		\$ 7,505,263
Less current maturities of long-term debt		<u>(204,201)</u>
Long-term debt, net of current maturities		<u>\$ 7,301,062</u>

Aggregate maturities of long-term debt at December 31, 2011 are as follows:

2012	\$ 204,201
2013	473,248
2014	214,039
2015	218,614
2016	222,983
Thereafter	<u>6,172,178</u>
	<u>\$ 7,505,263</u>

NOTE 10—DONATED SERVICE/GRANT MATCHING REQUIREMENTS

In the course of operating its grant 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, 2011, 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, 2011, were achieved. The total amount of in-kind revenue received during the year ended December 31, 2011 was \$729,632.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued December 31, 2011

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 November 2014. The total aggregate lease expense for the year ended December 31, 2011 was approximately \$119,000.

At December 31, 2011, the future operating lease obligations for the above leases are as follows:

2012	\$	30,288
2013		19,488
2014		7,964

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 2011 was approximately \$156,000.

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, 2011. Therefore, no income tax provision has been recorded in the financial statement for the year ended December 31, 2011. 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 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 2007.

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
December 31, 2011

NOTE 14—CONCENTRATION OF CREDIT RISK

Cash Concentration Risk

The Entities' bank cash and certificates of deposit at December 31, 2011 totaled approximately \$6,900,000. 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 \$913,000 at December 31, 2011.

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, 2011, 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.

NOTE 16—CONTINGENT LIABILITY

During 2010, the Entity received funds from the Federal Home Loan Bank of Indianapolis totaling \$585,000. These funds were in the form of a forgivable loan. Should the Entity fulfill certain requirements and maintain the operations of an apartment complex through 2025, the loan will be forgiven. It is management's intent to comply with the provisions of this agreement and therefore, these proceeds were reflected in the Consolidated Statement of Activities as grant revenue.

SUPPLEMENTARY INFORMATION

Hoosier Uplands Economic Development Corporation and Subsidiary
 Recap of Functional Expenses by Funding Source
 For the year ended December 31, 2011

	U.S. Department of Health and Human Services - Direct	U.S. Department of Health and Human Services - Pass Through	U. S. Department of Agriculture (Rural Development)	U.S. Department of Agriculture - Pass Through	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	\$ 2,026,984	\$ 143,528	\$ 2,281	\$ 12,168	\$ 28,898	\$ 655,684	\$ 750,921	\$ 189,551	\$ 389,678	\$ 10,626	\$ 76,224	\$ 2,675,857	\$ 874,416	\$ 7,836,816
Mileage, Per Diem, Lodging and Travel	25,187	5,311	34	2,341	549	12,737	17,825	10,309	9,923	545	6,221	310,312	24,096	425,390
Training, Registrations and Meetings	20,376	517	-	425	45	3,446	6,081	1,770	4,126	107	232	4,501	-	41,626
Space Costs	133,601	13,771	-	-	-	18,648	93,414	2,951	2,797	-	2,822	66,899	126,204	461,107
Equipment	5,033	836	-	-	-	-	-	78,985	34,956	-	-	1,505	8,963	130,278
Food and Kitchen	-	-	-	-	-	-	-	-	134,156	-	-	-	-	134,156
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	2,996	2,996
Bus and Vehicle Operation	80,769	-	-	-	-	1,917	12,305	-	-	435	-	-	6,488	101,914
Contracted Services	27,649	34,485	-	-	-	-	15,719	-	265,470	-	-	-	9,392	352,715
Information Technology, Computer & Software	41,691	87	29	11	29	17,718	52,269	175	846	408	234	39,154	(16,812)	135,839
Subcontractors	-	-	-	-	-	6,076	-	-	-	-	-	-	-	6,076
Clinic Operations	-	-	-	-	-	-	-	497,720	-	-	-	-	-	497,720
Newspaper Publication	-	-	-	-	-	1,929	-	-	-	-	-	-	-	1,929
Program Supplies and Printing	107,316	8,230	-	112	-	-	99,643	2,250	78,401	120	2,200	67,845	342	366,459
Billable Medical Supplies	-	-	-	-	-	-	-	-	-	-	-	50,410	-	50,410
Telephone	29,731	6,442	-	51	-	9,936	24,698	1,397	788	721	846	32,064	19,301	125,975
Postage	2,763	484	148	-	-	3,320	12,846	1,207	1,822	25	245	10,288	-	33,148
Regular Heating Assistance	-	-	-	-	-	-	1,264,878	-	-	-	-	-	-	1,264,878
Crisis Heating Assistance	-	-	-	-	-	-	378,692	-	-	-	-	-	-	378,692
Cooling Assistance	-	-	-	-	-	-	515,400	-	-	-	-	-	-	515,400
Housing Assistance	-	-	-	-	-	-	1,127,152	-	-	-	-	-	-	1,127,152
Utility Assistance	-	-	-	-	-	-	75,741	-	-	-	-	-	-	75,741
Subcontract Services	-	-	63,161	-	-	-	-	-	-	-	-	-	-	63,161
Contractor Payments	-	-	-	-	-	-	207,225	-	-	-	-	-	-	207,225
Copier	18,789	1,520	-	-	-	5,491	10,158	751	5,617	-	652	14,540	2,858	60,376
Professional Accreditation	-	-	-	-	-	-	-	-	-	-	-	10,682	-	10,682
Professional Dues, Memberships & Licenses	1,932	640	-	50	-	5,795	1,800	402	-	-	53	13,881	-	24,553
Direct Client Assistance	-	-	-	-	-	-	-	-	-	-	-	-	59,064	59,064
Public Information	1,276	808	44	482	-	9,945	4,752	1,336	77	834	-	67,394	-	86,948
Audit Costs	3,166	1,500	-	-	-	-	15,000	256	3,375	-	1,750	24,875	-	49,922
Transportation Costs	-	-	-	-	-	5,356	-	-	38,715	-	-	-	-	44,071
Insurance	34,380	820	-	-	-	-	20,506	40	4,842	-	-	19,743	41,549	121,880
Administration (Agency)	185,845	17,800	7,760	-	-	68,931	151,700	3,500	38,498	-	5,901	144,995	-	624,930
Parent Activity	5,563	-	-	-	-	-	-	-	-	-	-	-	-	5,563
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	2,310	2,310
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	468,962	468,962
Recording Fees	-	-	303	-	-	-	438	-	-	-	-	-	-	741
Credit History Fees	-	-	-	-	164	-	-	-	-	-	-	-	-	164
Other Expenses	2,430	-	-	-	-	-	-	-	-	-	-	-	-	-
Client Services	-	-	-	-	-	976,789	1,286,354	-	-	-	-	2,024	104,949	109,403
In-kind expenses	548,663	-	-	-	-	180,971	-	-	-	-	-	-	-	2,263,143
Inter-Company Support	-	-	-	-	-	-	10,000	-	-	-	-	-	-	729,634
Purchased Services - Hospice	-	-	-	-	-	-	-	-	-	-	-	-	527,639	537,639
												566,747	-	566,747
	\$ 3,303,144	\$ 236,779	\$ 73,760	\$ 15,640	\$ 29,685	\$ 1,984,689	\$ 6,155,517	\$ 792,600	\$ 1,014,087	\$ 13,821	\$ 97,380	\$ 4,123,716	\$ 2,262,717	\$ 20,103,535

PROGRAM A - FEDERAL PROGRAMS

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

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

	Head Start and Early Head Start Agreement # 05CH4076/44,45 CFDA 93.600	Early Head Start Expansion (A.R.R.A.) Agreement # 05SA4076/01,02 CFDA 93.709	Head Start Body Start Agreement # D184 CFDA 93.600	Drug Free Communities 10/11 5H79SP13665-07 CFDA 93.276	Total U.S. Dept. of Health and Human Services
Salaries and Fringe	\$ 1,844,728	\$ 161,665	\$ -	\$ 20,591	\$ 2,026,984
Mileage, Per Diem, Lodging and Travel	19,570	4,798	-	819	25,187
Training, Registrations and Meetings	18,346	2,030	-	-	20,376
Bus and Vehicle Operation/Purchase	77,910	2,859	-	-	80,769
Space Costs and Use Allowances	133,568	33	-	-	133,601
Contracted Services	-	-	-	27,649	27,649
Information Technology, Computer & Software	41,020	628	-	43	41,691
Program Supplies and Printing	90,785	16,109	-	422	107,316
Equipment Purchase	-	-	5,000	33	5,033
Telephone	28,623	1,070	-	38	29,731
Postage	2,650	113	-	-	2,763
Copier	16,515	948	-	1,326	18,789
Professional Dues, Memberships & Licenses	1,759	173	-	-	1,932
Public Information	566	710	-	-	1,276
Audit Costs	3,166	-	-	-	3,166
Insurance	33,587	793	-	-	34,380
Administration (Agency)	174,240	9,163	-	2,442	185,845
Parent Activity	5,033	530	-	-	5,563
Other Expenses/Credits	1,830	600	-	-	2,430
In-kind Expenses	430,584	-	-	118,079	548,663
	<u>\$ 2,924,480</u>	<u>\$ 202,222</u>	<u>\$ 5,000</u>	<u>\$ 171,442</u>	<u>\$ 3,303,144</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ended December 31, 2011

Total of U.S. Department of Health and Human Services - Pass Through:

	Department of Health and Human Services via Indiana University Totals	Department of Health and Human Services via Our Place, Inc. Totals	Department of Health and Human Services Pass - Through Totals
Salaries and Fringe	\$ 137,195	\$ 6,333	\$ 143,528
Mileage, Per Diem, Lodging and Travel	4,201	1,110	5,311
Training, Registrations and Conferences	536	(19)	517
Space Costs	13,771	-	13,771
Equipment	836	-	836
Contracted Services	34,485	-	34,485
Information Technology & Computer Costs	82	5	87
Supplies and Printing	7,009	1,221	8,230
Telephone	6,442	-	6,442
Postage	484	-	484
Copier Expense	1,520	-	1,520
Professional Dues and Memberships	640	-	640
Public Information	808	-	808
Audit	1,500	-	1,500
Insurance	820	-	820
Administration (Agency)	17,800	-	17,800
	<u>\$ 228,129</u>	<u>\$ 8,650</u>	<u>\$ 236,779</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through Indiana State Department of Health
via Indiana University:

	Indiana Area Health Education Centers (Fed) 11/12 CFDA 93.107	Indiana Area Health Education Centers (State) 11/12 CFDA N/A	Indiana Area Health Education Centers (State) 10/11 CFDA N/A	Indiana Area Health Education Centers Totals
Salaries and Fringe	\$ 11,897	\$ 62,233	\$ 63,065	\$ 137,195
Mileage, Per Diem, Lodging and Travel	560	1,984	1,657	4,201
Training, Registrations and Conferences	-	536	-	536
Space Costs	23	7,676	6,072	13,771
Equipment	-	-	836	836
Contracted Services	-	2,395	32,090	34,485
Information Technology & Computer Costs	-	247	(165)	82
Supplies and Printing	108	3,613	3,288	7,009
Telephone	-	3,104	3,338	6,442
Postage	7	27	450	484
Copier Expense	-	929	591	1,520
Professional Dues and Memberships	-	640	-	640
Public Information	427	98	283	808
Audit	-	500	1,000	1,500
Insurance	-	-	820	820
Administration (Agency)	-	6,000	11,800	17,800
	<u>\$ 13,022</u>	<u>\$ 89,982</u>	<u>\$ 125,125</u>	<u>\$ 228,129</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through Our Place, Inc.

	Afternoons Rock! Orleans Program CFDA 93.959	Afternoons Rock! Springs Valley CFDA 93.959	Afternoons Rock! W. Washington CFDA 93.959	Our Place, Inc. Afternoons Rock! Totals
Salaries and Fringe	\$ 8	\$ 3,145	\$ 3,180	\$ 6,333
Mileage, Per Diem, Lodging and Travel	122	550	438	1,110
Training, Registrations and Conferences	(25)	-	6	(19)
Supplies and Printing	-	569	652	1,221
Information Technology & Computer Costs	-	1	4	5
	<u>\$ 105</u>	<u>\$ 4,265</u>	<u>\$ 4,280</u>	<u>\$ 8,650</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

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

	Housing Preservation Grant Town of Milltown CFDA 10.433	Housing Preservation Grant City of Mitchell CFDA 10.433	Housing Preservation Grants Orange Co. CFDA 10.433	Housing Preservation Grants Washington Co. CFDA 10.433	U.S.D.A. Rural Dev. Totals
Salaries and Fringe	\$ 3,258	\$ 987	\$ (1,605)	\$ (359)	\$ 2,281
Mileage	-	34	-	-	34
Information Tech & Computer	7	7	6	9	29
Postage	74	-	15	59	148
Public Information	-	-	-	44	44
Subcontractors Svcs	18,667	17,311	8,151	19,032	63,161
Recording Fees	81	72	66	84	303
Administration (Agency)	120	600	3,520	3,520	7,760
	<u>\$ 22,207</u>	<u>\$ 19,011</u>	<u>\$ 10,153</u>	<u>\$ 22,389</u>	<u>\$ 73,760</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ended December 31, 2011

Total of U.S. Department of Agriculture - Pass Through:

	Bloomington Hospital, Inc. Breastfeeding Peer Counseling Supplement CFDA 10.557	Purdue University Indiana AgrAbility Project CFDA 10.500	Department of Agriculture Pass - Through Totals
Salaries and Fringe	\$ 5,814	\$ 6,354	\$ 12,168
Mileage, Per Diem, Lodging and Travel	457	1,884	2,341
Training, Registrations and Conferences		425	425
Information Technology & Computer Costs		11	11
Supplies and Printing	50	62	112
Telephone		51	51
Professional Dues and Memberships		50	50
Public Information	482	-	482
	<u>\$ 6,803</u>	<u>\$ 8,837</u>	<u>\$ 15,640</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

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

H.U.D.
Housing
Counseling
HC10-0421-141
CFDA 14.169

Salaries and Fringe	\$	28,898
Mileage, Per Diem, Lodging and Travel		549
Training		45
Information Technology & Computer Costs		29
Credit History Fees		<u>164</u>
	\$	<u><u>29,685</u></u>

PROGRAM B - STATE PROGRAMS

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ended December 31, 2011

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	\$ 655,684	\$ 750,921	\$ 189,551	\$ 389,678	\$ 10,626	\$ 76,224	\$ 2,072,684
Mileage, Lodging and Per Diem	12,737	17,825	10,309	9,923	545	6,221	57,560
Training, Registrations and Meetings	3,446	6,081	1,770	4,126	107	232	15,762
Space Costs	18,648	93,414	2,951	2,797	-	2,822	120,632
Equipment Purchases	-	-	78,985	34,956	-	-	113,941
Food and Kitchen	-	-	-	134,156	-	-	134,156
Vehicle Operation	1,917	12,305	-	-	435	-	14,657
Contracted Services	-	15,719	-	265,470	-	-	281,189
Supplies and Printing	6,076	99,643	2,250	78,401	120	2,200	188,690
Clinic Operations	-	-	497,720	-	-	-	497,720
Newspaper Publication	1,929	-	-	-	-	-	1,929
Telephone and Internet	9,936	24,698	1,397	788	721	846	38,386
Postage	3,320	12,846	1,207	1,822	25	245	19,465
Information Technology, Computer & Software	17,718	52,269	175	846	408	234	71,650
Professional Dues and Memberships	5,795	1,800	402	-	-	53	8,050
Public Information	9,945	4,752	1,336	77	834	-	16,944
Audit	-	15,000	256	3,375	-	1,750	20,381
Regular Heating Assistance	-	1,264,878	-	-	-	-	1,264,878
Crisis Heating Assistance	-	378,692	-	-	-	-	378,692
Cooling Assistance	-	515,400	-	-	-	-	515,400
Housing Assistance	-	1,127,152	-	-	-	-	1,127,152
Utility Assistance	-	75,741	-	-	-	-	75,741
Contractor Payments	-	207,225	-	-	-	-	207,225
Filing Fee	-	438	-	-	-	-	438
Copier Expense	5,491	10,158	751	5,617	-	652	22,669
Transportation Costs	-	-	-	38,715	-	-	38,715
Insurance Expense	5,356	20,506	40	4,842	-	-	30,744
Client Services	976,789	1,286,354	-	-	-	-	2,263,143
Administration (Agency)	68,931	151,700	3,500	38,498	-	5,901	268,530
In Kind Expenses	180,971	-	-	-	-	-	180,971
Inter - Co Support	-	10,000	-	-	-	-	10,000
	\$ 1,984,689	\$ 6,155,517	\$ 792,600	\$ 1,014,087	\$ 13,821	\$ 97,360	\$ 10,058,094

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ended December 31, 2011

Indiana Family & Social Services Administration Summary:

	F.S.S.A. Mental Health and Addictions Totals	F.S.S.A. Aging Div Totals	Indiana F.S.S.A. Totals
	<u> </u>	<u> </u>	<u> </u>
Salaries and Fringe	\$ 8,902	\$ 646,782	\$ 655,684
Mileage, Lodging and Per Diem	187	12,550	12,737
Training, Registrations and Meetings	1,877	1,569	3,446
Space Costs	-	18,648	18,648
Vehicle Operation	-	1,917	1,917
Supplies and Printing	-	6,076	6,076
Newspaper Publication	-	1,929	1,929
Information Technology, Computer & Software	14	17,704	17,718
Telephone and Internet	-	9,936	9,936
Postage	-	3,320	3,320
Copier Expense	20	5,471	5,491
Professional Dues & Memberships	-	5,795	5,795
Public Information	6,470	3,475	9,945
Insurance Expense	-	5,356	5,356
Administration (Agency)	2,800	66,131	68,931
Client Services	-	976,789	976,789
In-Kind Expenses	-	180,971	180,971
	<u>\$ 20,270</u>	<u>\$ 1,964,419</u>	<u>\$ 1,984,689</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ended December 31, 2011

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

Strategic
Prevention
State Incentive
Grant
CFDA #93.243

Salaries and Fringe	\$	8,902
Mileage, Per Diem, Lodging and Travel		187
Training, Registrations and Conferences		1,877
Information Technology & Computer Costs		14
Copier Expense		20
Public Information		6,470
Administration (Agency)		2,800
		<hr/>
	\$	<u>20,270</u>

Hoosier Uplands Economic Development Corporation
 Statement of Functional Expenses by Funding Source
 For the Year Ending December 31, 2011

Funded through the Indiana Family and Social
 Services Administration

	Aging Div IIIB Admin 10/11 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Admin 11/12 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Access Info & Referral 10/11 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Access Info & Referral 11/12 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Access Transportation 10/11 Contract # 47-10-OV-1676 CFDA 93.044
Salaries and Fringe	\$ 5,336	\$ 15,424	\$ 100,159	\$ 65,348	\$ -
Mileage, Per Diem, Lodging and Travel	77	259	139	356	-
Training, Registrations and Meetings	82	195	-	213	-
Space, Janitor and Repairs	3,870	3,725	1,062	1,061	-
Vehicle Operation	674	728	25	20	-
Supplies and Printing	638	439	29	-	-
Newspaper Publication	-	-	1,166	763	-
Information Technology, Computer & Software	3,145	7,089	130	128	-
Telephone and Internet	336	822	980	708	-
Postage	168	233	181	145	-
Copier	891	778	122	101	-
Professional Dues and Memberships	4,234	2,363	(794)	75	-
Public Information	1,395	497	100	-	-
Insurance	2,377	-	256	-	-
Administration (Agency)	14,664	12,996	-	1,037	-
Client Services	-	-	-	-	3,976
Older Hoosier Funds Subsidy	(2,339)	(392)	(4,118)	(3,985)	(264)
NSIP Meals Subsidy	-	-	-	-	-
In-kind Expenses	20,309	10,365	7,874	8,760	4,826
	\$ 55,857	\$ 55,521	\$ 107,311	\$ 74,730	\$ 8,538

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana Family and Social Services
Administration Continued:

	Aging Div IIIB Access Transportation 11/12 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB Access Case Mgmt 10/11 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB In-Home Transportation 10/11 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB In-Home Transportation 11/12 Contract # 47-10-OV-1676 CFDA 93.044	Aging Div IIIB In-Home Homemaker 10/11 Contract # 47-10-OV-1676 CFDA 93.044
Salaries and Fringe	\$ -	\$ 5,841	\$ -	\$ -	\$ -
Mileage, Per Diem, Lodging and Travel	-	4	-	-	-
Training, Registrations and Meetings	-	-	-	-	-
Space, Janitor and Repairs	-	-	-	-	-
Vehicle Operation	-	-	-	-	-
Supplies and Printing	-	-	-	-	-
Newspaper Publication	-	-	-	-	-
Information Technology, Computer & Software	-	6	-	-	-
Telephone and Internet	-	-	-	-	-
Postage	-	-	-	-	-
Copier	-	-	-	-	-
Professional Dues and Memberships	-	-	-	-	-
Public Information	-	-	-	-	-
Insurance	-	-	-	-	-
Administration (Agency)	-	-	-	-	-
Client Services	5,741	-	656	876	11,839
Older Hoosier Funds Subsidy	(260)	-	(88)	(191)	(779)
NSIP Meals Subsidy	-	-	-	-	-
In-kind Expenses	1,038	5,277	4,314	390	5,710
	<u>\$ 6,519</u>	<u>\$ 11,128</u>	<u>\$ 4,882</u>	<u>\$ 1,075</u>	<u>\$ 16,770</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana Family and Social Services
Administration Continued:

	Aging Div IIIB In-Home Homemaker 11/12	Aging Div IIIB Other Ombudsman 10/11	Aging Div IIIB Other Ombudsman 11/12	Aging Div IIIB Other Legal 10/11	Aging Div IIIB Other Legal 11/12
	Contract # 47-10-OV-1676 CFDA 93.044	Contract # 47-10-OV-1676 CFDA 93.044	Contract # 47-10-OV-1676 CFDA 93.044	Contract # 47-10-OV-1676 CFDA 93.044	Contract # 47-10-OV-1676 CFDA 93.044
Salaries and Fringe	\$ -	\$ -	\$ -	\$ -	\$ -
Mileage, Per Diem, Lodging and Travel	-	-	-	-	-
Training, Registrations and Meetings	-	-	-	-	-
Space, Janitor and Repairs	-	-	-	-	-
Vehicle Operation	-	-	-	-	-
Supplies and Printing	-	-	-	-	-
Newspaper Publication	-	-	-	-	-
Information Technology, Computer & Software	-	-	-	-	-
Telephone and Internet	-	-	-	-	-
Postage	-	-	-	-	-
Copier	-	-	-	-	-
Professional Dues and Memberships	-	-	-	-	-
Public Information	-	-	-	-	-
Insurance	-	-	-	-	-
Administration (Agency)	-	-	-	-	-
Client Services	25,603	2,631	6,898	1,656	2,826
Older Hoosier Funds Subsidy	(1,674)	(221)	(235)	(218)	(372)
NSIP Meals Subsidy	-	-	-	-	-
In-kind Expenses	6,043	4,252	470	5,528	1,392
	<u>\$ 29,972</u>	<u>\$ 6,662</u>	<u>\$ 7,133</u>	<u>\$ 6,966</u>	<u>\$ 3,846</u>

Hoosier Uplands Economic Development Corporation
 Statement of Functional Expenses by Funding Source
 For the Year Ending December 31, 2011

Funded through the Indiana Family and Social Services
 Administration Continued:

	Aging Div IIC Congregate Meals 10/11 Contract # 47-10-OV-1676 CFDA 93.045	Aging Div IIC Congregate Meals 11/12 Contract # 47-10-OV-1676 CFDA 93.045	Aging Div IIC Home Del Meals 10/11 Contract # 47-10-OV-1676 CFDA 93.045	Aging Div IIC Home Del Meals 11/12 Contract # 47-10-OV-1676 CFDA 93.045	Aging Div IIC Home Del Meals 11/12 Contract # 47-10-OV-1676 CFDA 93.045	Aging Div IIC Prev Health 10/11 Contract # 47-10-OV-1676 CFDA 93.043
Salaries and Fringe	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,790
Mileage, Per Diem, Lodging and Travel	-	-	-	-	-	-
Training, Registrations and Meetings	-	-	-	-	-	-
Space, Janitor and Repairs	-	-	-	-	-	-
Vehicle Operation	-	-	-	-	-	-
Supplies and Printing	-	-	-	-	-	-
Newspaper Publication	-	-	-	-	-	-
Information Technology, Computer & Software	-	-	-	-	-	4
Telephone and Internet	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Copier	-	-	-	-	-	-
Professional Dues and Memberships	-	-	-	-	-	-
Public Information	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Administration (Agency)	-	-	-	-	-	-
Client Services	45,805	59,297	136,317	119,953	119,953	-
Older Hoosier Funds Subsidy	(4,084)	(4,547)	(6,295)	(5,891)	(5,891)	-
NSIP Meals Subsidy	-	-	(30,359)	(19,587)	(19,587)	-
In-kind Expenses	12,332	9,534	17,042	16,321	16,321	-
	\$ 54,053	\$ 64,284	\$ 116,705	\$ 110,796	\$ 110,796	\$ 5,794

Hoosier Uplands Economic Development Corporation
 Statement of Functional Expenses by Funding Source
 For the Year Ending December 31, 2011

Funded through the Indiana Family and Social Services
 Administration Continued:

	Aging Div IIID Prev Health 11/12 Contract # 47-10-OV-1676 CFDA 93.043	Aging Div IIIE Family Caregiver 10/11 Contract # 47-10-OV-1676 CFDA 93.052	Aging Div IIIE Family Caregiver 11/12 Contract # 47-10-OV-1676 CFDA 93.052	Aging Div Older Hoosier Funds 10/11 Contract # 47-10-OV-1676 CFDA N/A	Aging Div Older Hoosier Funds 11/12 Contract # 47-10-OV-1676 CFDA N/A
Salaries and Fringe	\$ 4,985	\$ 12,735	\$ 10,862	\$ -	\$ -
Mileage, Per Diem, Lodging and Travel	-	-	-	-	-
Training, Registrations and Meetings	-	-	-	-	-
Space, Janitor and Repairs	-	-	-	-	-
Vehicle Operation	-	-	-	-	-
Supplies and Printing	-	-	-	-	-
Newspaper Publication	-	-	-	-	-
Information Technology, Computer & Software	4	14	20	-	-
Telephone and Internet	-	-	-	-	-
Postage	-	-	-	-	-
Copier	-	-	-	-	-
Professional Dues and Memberships	-	(83)	-	-	-
Public Information	-	-	-	-	-
Insurance	-	-	-	-	-
Administration (Agency)	-	-	-	-	-
Client Services	-	27,389	14,390	-	-
Older Hoosier Funds Subsidy	-	(2,100)	(2,956)	20,505	20,505
NSIP Meals Subsidy	-	-	-	-	-
In-kind Expenses	-	26,612	12,581	-	-
	\$ 4,989	\$ 64,567	\$ 34,897	\$ 20,505	\$ 20,505

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana Family and Social Services
Administration Continued:

	Aging Div S.S.B.G. Funds 10/11 Contract #	Aging Div S.S.B.G. Funds 11/12 Contract #	Aging Div CHOICE Funds 10/11 Contract #	Aging Div CHOICE Funds 11/12 Contract #	Aging Div NSIP Nutrition 10/11 Contract #
	47-10-OV-1676 CFDA 93.667	47-10-OV-1676 CFDA 93.667	47-10-OV-1676 CFDA N/A	47-10-OV-1676 CFDA N/A	47-10-OV-1676 CFDA 93.053
Salaries and Fringe	\$ 41,829	\$ 38,357	\$ 90,562	\$ 100,495	\$ -
Mileage, Per Diem, Lodging and Travel	2,919	2,637	1,015	1,288	-
Training, Registrations and Meetings	-	-	767	150	-
Space, Janitor and Repairs	964	960	2,505	2,499	-
Vehicle Operation	-	-	349	13	-
Supplies and Printing	13	6	2,365	1,396	-
Newspaper Publication	-	-	-	-	-
Information Technology, Computer & Software	119	121	4,685	1,132	-
Telephone and Internet	541	1,545	2,681	1,727	-
Postage	398	332	246	139	-
Copier	738	664	381	317	-
Professional Dues and Memberships	-	-	-	-	-
Public Information	237	190	712	230	-
Insurance	518	-	1,556	-	-
Administration (Agency)	4,550	3,900	12,784	14,400	-
Client Services	33,202	35,776	217,084	219,328	-
Older Hoosier Funds Subsidy	-	-	-	-	-
NSIP Meals Subsidy	-	-	-	-	30,359
In-kind Expenses	-	-	-	-	-
	<u>\$ 86,028</u>	<u>\$ 84,488</u>	<u>\$ 337,692</u>	<u>\$ 343,114</u>	<u>\$ 30,359</u>

Hoosier Uplands Economic Development Corporation
 Statement of Functional Expenses by Funding Source
 For the Year Ending December 31, 2011

Funded through the Indiana Family and Social Services
 Administration Continued:

	Aging Div NSIP Nutrition 11/12 Contract # 47-10-OV-1676 CFDA 93.053	Aging Div Pre-Admission Screening 10/11 Contract # 47-10-OV-1676 CFDA 93.778	Aging Div Pre-Admission Screening 11/12 Contract # 47-10-OV-1676 CFDA 93.778	Aging Div Assisted Living Ombudsman 10/11 Contract # 47-10-2V-1676 CFDA N/A	Aging Div Chronic Disease Self-Management 10/11 Contract # 47-10-SM-1676 CFDA 93.725
Salaries and Fringe	\$ -	\$ 51,771	\$ 48,398	\$ -	\$ 14,036
Mileage, Per Diem, Lodging and Travel	-	1,934	1,900	-	-
Training, Registrations and Meetings	-	-	-	-	162
Space, Janitor and Repairs	-	961	961	-	-
Vehicle Operation	-	-	-	-	53
Supplies and Printing	-	28	14	-	275
Newspaper Publication	-	-	-	-	-
Information Technology, Computer & Software	-	84	79	-	(5)
Telephone and Internet	-	29	46	-	-
Postage	-	794	684	-	-
Copier	-	657	795	-	-
Professional Dues and Memberships	-	-	-	-	-
Public Information	-	-	-	-	-
Insurance	-	418	-	-	-
Administration (Agency)	-	1,800	-	-	-
Client Services	-	-	1,373	4,173	-
Older Hoosier Funds Subsidy	-	-	-	-	-
NSIP Meals Subsidy	19,587	-	-	-	-
In-kind Expenses	-	-	-	-	-
	\$ 19,587	\$ 58,476	\$ 54,250	\$ 4,173	\$ 14,521

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana Family and Social Services
Administration Continued:

	Aging Div Aging and Disability Resource Center 11/12 Contract # 47-10-OV-1676 CFDA N/A	Aging Div Aging and Disability Resource Center 11/12 Contract # 47-10-OV-1676 CFDA N/A	F.S.S.A. Aging Division Totals
Salaries and Fringe	\$ 13,133	\$ 21,721	\$ 646,782
Mileage, Per Diem, Lodging and Travel	-	22	12,550
Training, Registrations and Meetings	-	-	1,569
Space, Janitor and Repairs	82	(2)	18,648
Vehicle Operation	15	40	1,917
Supplies and Printing	414	459	6,076
Newspaper Publication	-	-	1,929
Information Technology, Computer & Software	230	719	17,704
Telephone and Internet	254	267	9,936
Postage	-	-	3,320
Copier	-	27	5,471
Professional Dues and Memberships	-	-	5,795
Public Information	74	40	3,475
Insurance	231	-	5,356
Administration (Agency)	-	-	66,131
Client Services	-	-	976,789
Older Hoosier Funds Subsidy	-	-	-
NSIP Meals Subsidy	-	-	-
In-kind Expenses	-	-	180,971
	<u>\$ 14,433</u>	<u>\$ 23,293</u>	<u>\$ 1,964,419</u>

Hoosier Uplands Economic Development Corporation and Subsidiary
Statement of Functional Expenses by Funding Source
For the Year Ended December 31, 2011

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. Totals
Salaries and Fringe	\$ 708,931	\$ 41,990	\$ 750,921
Mileage, Per Diem, Lodging and Travel	17,256	569	17,825
Training, Registrations and Conferences	6,081	-	6,081
Space Costs	93,285	129	93,414
Vehicle Operation	12,305	-	12,305
Contracted Services	15,719	-	15,719
Supplies and Printing	99,498	145	99,643
Telephone and Internet	24,604	94	24,698
Postage	12,656	190	12,846
Copier	10,158	-	10,158
Information Technology, Computer & Software	51,791	478	52,269
Regular Heating Assistance	1,264,878		1,264,878
Crisis Heating Assistance	378,692		378,692
Cooling Assistance	515,400		515,400
Contractors Payments	-	207,225	207,225
Filing Fees	-	438	438
Housing Assistance	1,127,152	-	1,127,152
Utility Assistance	75,741	-	75,741
Insurance	19,708	798	20,506
Public Information	4,711	41	4,752
Audit	15,000	-	15,000
Administration (Agency)	151,700	-	151,700
Inter-co Support	10,000	-	10,000
Professional Dues and Memberships	1,800	-	1,800
Client Assistance and Services	1,286,354	-	1,286,354
	<u>\$ 5,903,420</u>	<u>\$ 252,097</u>	<u>\$6,155,517</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

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

	Comm Svc Div Weatherization Assist. For Low- Income Persons 09/13 WX-010-012 CFDA 81.042	Comm Svc Div Weatherization Low-Income Home Energy Assist 11/12 WL-012-012 CFDA 93.568	Comm Svc Div Weatherization Low-Income Home Energy Assist 10/11 WL-011-012 CFDA 93.568	Comm Svc Div Weatherization ARRA Home Energy Conservation 10/11 HEC-009-011 CFDA 81.042	Comm Svc Div Weatherization Owner Occupied Rehabilitation 10/11 DR2OR-009-029 CFDA 14.228
Salaries and Fringe	\$ 68,099	\$ 2,269	\$ 34,792	\$ 63,218	\$ 19,632
Mileage, Per Diem, Lodging and Travel	80	(172)	-	(3)	542
Training, Registrations and Conferences	6,000	-	-	(18)	-
Space Costs	1,305	390	1,698	7,653	98
Vehicle Operation	3,847	19	6,390	1,219	-
Contracted Services	-	-	-	-	-
Supplies and Printing	647	-	8,575	(525)	23
Telephone and Internet	298	236	959	5,511	1,643
Postage	18	18	19	245	121
Copier	9	6	107	328	-
Information Technology, Computer & Software	813	75	3,515	5,050	31
Regular Heating Assistance	-	-	-	-	-
Crisis Heating Assistance	-	-	-	-	-
Cooling Assistance	-	-	-	-	-
Housing Assistance	-	-	-	-	-
Utility Assistance	-	-	-	-	-
Insurance	-	329	3,000	12,000	-
Public Information	14	15	75	333	114
Audit	2,000	-	-	1,000	-
Administration (Agency)	4,000	-	4,000	46,960	3,000
Inter-co Support	-	-	-	-	-
Professional Dues and Memberships	-	-	-	-	-
Client Assistance and Services	54,240	95,418	102,418	915,530	79,954
	\$ 141,370	\$ 98,603	\$ 165,548	\$ 1,058,501	\$ 105,158

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

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

	TANF Funded Emergency Low-Income Home Energy Assistance 2012 IR-012-012 CFDA 93.558	Comm Svc Div Energy Assist Low-Income Home Energy Assistance 11/12 LI-009-012 CFDA 93.568	Comm Svc Div Energy Assist Low-Income Home Energy Assistance 10/11 LI-009-012 CFDA 93.568	Indiana Foreclosure Prevention Network CFDA N/A	Section 8 Housing Choice Vouchers 2011 CFDA 14.871
Salaries and Fringe	\$ 15,029	\$ 33,311	\$ 214,051	\$ 42,023	\$ 87,730
Mileage, Per Diem, Lodging and Travel	154	290	2,209	243	8,771
Training, Registrations and Conferences	-	-	-	-	-
Space Costs	1,691	3,064	44,494	-	5,415
Vehicle Operation	24	27	223	-	278
Contracted Services	-	-	-	-	7,175
Supplies and Printing	5	225	70,515	129	2,596
Telephone and Internet	598	722	7,371	7	1,124
Postage	91	63	7,732	-	4,083
Copier	879	905	4,416	-	1,683
Information Technology, Computer & Software	875	185	22,119	786	3,767
Regular Heating Assistance	129,403	594,505	540,970	-	-
Crisis Heating Assistance	39,050	123,178	216,464	-	-
Cooling Assistance	-	-	515,400	-	-
Housing Assistance	-	-	-	-	1,127,152
Utility Assistance	-	-	-	-	75,741
Insurance	-	-	3,351	-	679
Public Information	-	63	284	-	37
Audit	-	-	12,000	-	-
Administration (Agency)	-	9,000	42,745	-	18,000
Inter-co Support	-	-	-	-	-
Professional Dues and Memberships	-	-	-	-	-
Client Assistance and Services	-	-	-	196	-
	\$ 187,799	\$ 765,538	\$ 1,704,344	\$ 43,384	\$ 1,344,231

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

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

	Community Services Block Grant CS-010-012 CFDA 93.569	IHCDA Community Svcs Totals
Salaries and Fringe	\$ 128,777	\$ 708,931
Mileage, Per Diem, Lodging and Travel	5,142	17,256
Training, Registrations and Conferences	99	6,081
Space Costs	27,477	93,285
Vehicle Operation	278	12,305
Contracted Services	8,544	15,719
Supplies and Printing	17,308	99,498
Telephone and Internet	6,135	24,604
Postage	266	12,656
Copier	1,825	10,158
Information Technology, Computer & Software	14,575	51,791
Regular Heating Assistance	-	1,264,878
Crisis Heating Assistance	-	378,692
Cooling Assistance	-	515,400
Housing Assistance	-	1,127,152
Utility Assistance	-	75,741
Insurance	349	19,708
Public Information	3,776	4,711
Audit	-	15,000
Administration (Agency)	23,995	151,700
Inter-co Support	10,000	10,000
Professional Dues and Memberships	1,800	1,800
Client Assistance and Services	38,598	1,286,354
	<u>\$ 288,944</u>	<u>\$ 5,903,420</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through Indiana Housing and Community Development Authority
Housing Acquisition and Rehab Programs:

	City of Mitchell C.D.B.G. Rehab Grants 10/11 <u>CFDA 14.228</u>	Orange Co. C.D.B.G. Rehab Grants 11/12 <u>CFDA 14.228</u>	Orange Co. C.D.B.G. Rehab Grants 10/11 <u>CFDA 14.228</u>	Town of Paoli C.D.B.G. Rehab Grants 10/11 <u>CFDA 14.228</u>
Salaries and Fringe	\$ 6,338	\$ 8,940	\$ 3,930	\$ 4,348
Mileage, Per Diem, Lodging and Travel	24	137	127	23
Space Costs, Repair & Janitorial	-	48	17	-
Program Supplies	-	-	-	58
Telephone	-	29	18	-
Postage	-	24	11	-
Information Technology & Computer Costs	96	38	16	107
Contractors Payments	52,218	1,250	37,893	39,247
Filing Fees	90	-	120	72
Public Information	-	14	13	-
Insurance	188	-	211	188
	<u>\$ 58,954</u>	<u>\$ 10,480</u>	<u>\$ 42,354</u>	<u>\$ 44,043</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through Indiana Housing and Community Development Authority
Housing Acquisition and Rehab Programs Continued:

	Washington Co C.D.B.G. Rehab Grants 11/12 CFDA 14.228	Washington Co C.D.B.G. Rehab Grants 10/11 CFDA 14.228	I.H.C.D.A. Totals
Salaries and Fringe	\$ 12,864	\$ 5,570	\$ 41,990
Mileage, Per Diem, Lodging and Travel	249	9	569
Space Costs, Repair & Janitorial	47	17	129
Program Supplies	57	30	145
Telephone	29	18	94
Postage	111	44	190
Information Technology & Computer Costs	200	21	478
Contractors Payments	23,335	53,282	207,225
Filing Fees	24	132	438
Public Information	14	-	41
Insurance	-	211	798
	<u>\$ 36,930</u>	<u>\$ 59,334</u>	<u>\$ 252,097</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana State Department of Health:

	Crawford(Patoka) CHC Suppl 11/12 Contract # CHC 966-24 CFDA N/A	Crawford(Patoka) CHC 11/12 Contract # RH 966-26 CFDA 93.913	Crawford(Patoka) CHC 10/11 Contract # RH 966-4 CFDA 93.913	Davies Co. CHC Suppl 11/12 Contract # CHC 966-22 CFDA N/A	Davies Co. CHC 11/12 Contract # RH 966-28 CFDA 93.913	Davies Co. CHC 10/11 Contract # RH 966-01 CFDA 93.913
Salaries and Fringe	\$ 4,217	\$ 3,389	\$ 16,697	\$ 4,214	\$ 3,351	\$ 9,360
Mileage, Per Diem, Lodging and Travel	-	-	-	-	-	15
Training, Registrations and Conferences	-	-	-	-	-	-
Equipment Purchases	1,909	-	-	30,000	-	-
Clinic Operations	30,210	84,170	49,990	2,119	64,161	55,360
Contracted Services	-	-	-	-	-	-
Space Costs	-	-	-	-	-	-
Supplies and Printing	-	-	-	-	1	(5)
Information Technology & Computer Costs	-	12	14	-	11	13
Telephone	-	-	-	-	-	-
Postage	6	34	27	10	34	53
Copier	-	29	32	-	38	22
Professional Dues and Memberships	313	-	-	313	-	-
Public Information	-	-	-	-	-	-
Insurance	64	-	-	64	-	-
Audit Costs	-	125	150	-	125	150
Administration (Agency)	1,001	2,562	2,562	1,000	3,060	3,060
	\$ 37,720	\$ 90,321	\$ 69,472	\$ 37,720	\$ 70,781	\$ 68,028

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana State Department of Health Continued:

	Martin Co. CHC Suppl 11/12 Contract # CHC 966-23 CFDA N/A	Martin Co. CHC 11/12 Contract # CHC 966-27 CFDA 93.913	Martin Co. CHC 10/11 Contract # RH 966-18 CFDA 93.913	Pike Co. CHC Suppl 11/12 Contract # CHC 966-25 CFDA N/A	Pike Co. CHC 11/12 Contract # CHC 966-29 CFDA 93.913	Pike Co. CHC 10/11 Contract # RH 966-2 CFDA 93.913	T. B. Prevention 2011 Contract # TB 966-17 CFDA 93.116
Salaries and Fringe	\$ 4,211	\$ 2,936	\$ 6,751	\$ 4,214	\$ 2,835	\$ 14,986	\$ 65,342
Mileage, Per Diem, Lodging and Travel	-	-	-	-	-	7	10,191
Training, Registrations and Conferences	-	-	-	-	-	-	165
Equipment Purchases	17,076	-	-	30,000	-	-	-
Clinic Operations	10,819	37,350	37,350	2,041	62,000	62,000	-
Contracted Services	-	-	-	-	-	-	-
Space Costs	-	-	-	-	-	-	-
Supplies and Printing	-	-	0	-	-	-	100
Information Technology & Computer Costs	-	12	10	-	12	21	75
Telephone	-	1	-	-	-	-	905
Postage	12	34	27	10	34	61	231
Copier	-	61	43	-	32	15	30
Professional Dues and Memberships	313	-	-	313	-	-	-
Public Information	-	-	-	-	-	-	-
Insurance	64	-	-	64	-	-	-
Audit Costs	-	125	150	-	125	150	-
Administration (Agency)	1,000	1,662	1,662	1,000	3,060	3,060	3,000
	\$ 33,495	\$ 42,181	\$ 45,993	\$ 37,642	\$ 68,098	\$ 80,300	\$ 80,039

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana State Department of Health:

	Martin Co. WIC 11/12 Contract # WIC 966-12 CFDA 10.557	Martin Co. WIC 10/11 Contract # WIC 966-12 CFDA 10.557	OWH/INShape Women Out Walking Award CFDA N/A	I.S.D.H. Totals
Salaries and Fringe	\$ 11,684	\$ 35,364	\$ -	\$189,551
Mileage, Per Diem, Lodging and Travel	-	49	47	10,309
Training, Registrations and Conferences	-	1,605	-	1,770
Equipment Purchases	-	-	-	78,985
Clinic Operations	-	150	-	497,720
Space Costs	492	2,459	-	2,951
Supplies and Printing	588	1,333	329	2,250
Information Technology & Computer Costs	17	62	-	175
Telephone	325	892	-	1,397
Postage	10	291	-	1,207
Copier	51	127	-	751
Professional Dues and Memberships	50	50	-	402
Public Information	-	14	70	1,336
Insurance	-	40	-	40
Audit Costs	-	-	-	256
Administration (Agency)	600	1,800	-	3,500
	<u>\$ 13,817</u>	<u>\$ 44,236</u>	<u>\$ 446</u>	<u>\$792,600</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana Department of Education:

	Child and Adult Food and Nutrition CFDA 10.558	21st Century Learning Mitchell/ W. Wash 11/12 CFDA 84.287C	21st Century Learning Mitchell/ W. Wash 10/11 CFDA 84.287C	21st Century Learning Centers Program Orleans 11/12 CFDA 84.287C	21st Century Learning Centers Program Orleans 10/11 CFDA 84.287C
Salaries and Fringe	\$ -	\$ 85,718	\$ 80,733	\$ 50,351	\$ 49,024
Mileage, Per Diem, Lodging and Travel	-	1,320	3,339	586	793
Training, Registrations and Conferences	-	707	459	563	515
Space Costs	-	603	504	471	374
Equipment Purchases	33,896	-	-	-	1,060
Food and Kitchen	134,156	-	-	-	-
Supplies and Printing	8,034	5,134	12,704	4,396	19,526
Information Technology, Computer and Software	72	147	160	144	103
Telephone and Internet	-	29	76	18	9
Postage	24	184	222	342	354
Contracted Services	-	8,833	4,167	78,917	2,941
Copier	-	517	740	667	1,549
Public Information	-	-	-	-	-
Transportation Costs	-	1,215	625	9,468	296
Audit Costs	-	375	750	375	750
Insurance	-	-	1,824	-	1,807
Administration (Agency)	-	7,000	5,226	4,669	6,379
	\$ 176,182	\$ 111,782	\$ 111,529	\$ 150,967	\$ 85,480

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through the Indiana Department of Education Continued:

	21st Century Learning Centers Program Springs Valley 11/12 CFDA 84.287C	21st Century Learning Centers Program Springs Valley 10/11 CFDA 84.287C	Indiana Dept of Education Totals
Salaries and Fringe	\$ 49,025	\$ 74,827	\$ 389,678
Mileage, Per Diem, Lodging and Travel	1,190	2,695	9,923
Training, Registrations and Conferences	545	1,337	4,126
Space Costs	471	374	2,797
Equipment Purchases	-	-	34,956
Food and Kitchen	-	-	134,156
Supplies and Printing	4,071	24,536	78,401
Information Technology, Computer and Software	108	112	846
Telephone and Internet	382	274	788
Postage	342	354	1,822
Contracted Services	161,921	8,691	265,470
Copier	665	1,479	5,617
Public Information	77	-	77
Transportation Costs	19,206	7,905	38,715
Audit Costs	375	750	3,375
Insurance	-	1,211	4,842
Administration (Agency)	5,831	9,393	38,498
	<u>\$ 244,209</u>	<u>\$ 133,938</u>	<u>\$ 1,014,087</u>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through Indiana Department of Insurance

State Health
Insurance
Assistance
(SHIP)
CFDA 93.779

Salaries and Fringe	\$ 10,626
Mileage, Per Diem, Lodging and Travel	545
Training, Registrations and Conferences	107
Vehicle Operation	435
Information Technology, Computer and Software Costs	408
Supplies and Printing	120
Telephone	721
Postage	25
Public Information	834
	<hr/>
	\$ 13,821
	<hr/> <hr/>

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

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

	Daviess County Tobacco Prevention 2010/2011 CFDA N/A	Daviess County Tobacco Prevention 2011/2012 CFDA N/A	Lawrence County Tobacco Prevention 2010/2011 CFDA N/A	Lawrence County Tobacco Prevention 2011/2012 CFDA N/A	Martin County Tobacco Prevention 2010/2011 CFDA N/A	Orange County Tobacco Prevention 2011/2012 CFDA N/A	Pike County Tobacco Prevention 2010/2011 CFDA N/A	Tobacco Prevention and Cessation Totals
Salaries and Fringe	\$ 16,194	\$ 17,469	\$ 17,166	\$ 9,866	\$ 2,468	\$ 11,194	\$ 1,867	\$ 76,224
Mileage, Per Diem, Lodging and Travel	715	1,402	1,115	1,301	674	669	345	6,221
Training, Registrations and Conferences	100	35	75	22	-	-	-	232
Space Costs	-	-	729	781	531	781	-	2,822
Supplies and Printing	542	385	930	305	(178)	214	2	2,200
Information Technology & Computer Costs	31	37	29	56	19	44	18	234
Telephone	186	453	18	15	-	3	171	846
Postage	46	39	54	38	28	17	23	245
Copier	87	191	67	204	23	9	71	652
Professional Dues & Memberships	-	53	-	-	-	-	-	53
Audit	250	250	250	250	250	250	250	1,750
Administration (Agency)	1,485	786	1,511	402	572	600	545	5,901
	<u>\$ 19,636</u>	<u>\$ 21,100</u>	<u>\$ 21,944</u>	<u>\$ 13,240</u>	<u>\$ 4,387</u>	<u>\$ 13,781</u>	<u>\$ 3,292</u>	<u>\$ 97,380</u>

PROGRAM C - HEALTHCARE DIVISION

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Healthcare Division:

	<u>Healthcare Division</u>
Salaries and Fringe	\$2,675,857
Mileage, Per Diem, Lodging and Travel	310,312
Training, Registrations and Conferences	4,501
Space Costs	66,899
Furniture and Equipment	1,505
Information Technology, Software & Computer Costs	39,154
Supplies, Printing and Shredding	67,845
Billable Medical Supplies	50,410
Telephone	32,064
Postage	10,288
Copier Expense	14,540
Public Information and Promotions	67,394
Professional Accreditation	10,682
Dues, Subscriptions and Licenses	13,881
Other Costs	2,024
Insurance	19,743
Administration Charges (Agency)	144,995
Audit Fees and Cost Report Preparation	24,875
Purchased Medical Services	<u>566,747</u>
	<u>\$ 4,123,716</u>

PROGRAM D - GENERAL

Hoosier Uplands Economic Development Corporation
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2011

Funded through Local Agreements, Donations and Fundraisers

	Local Programs Total
Salaries and Fringe	\$ 874,416
Mileage, Per Diem, Lodging and Travel	24,096
Space Costs, Repair and Janitorial	126,204
Vehicle Operation Expense	6,488
Furniture and Equipment Purchases	7,922
Bank Fees and Interest Expense	2,310
Management Fees	2,996
Equipment	1,041
Info Technology, Computer & Software Costs	(16,812)
Program Supplies & Printing	342
Telephone & Internet	19,301
Copier Costs	2,858
Client Assistance and Services	59,064
Subcontracted Services	9,392
Inter Co Support	527,639
Insurance	41,549
Depreciation	468,962
Other Costs	104,949
	<u>\$ 2,262,717</u>

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

STATEMENT OF FINANCIAL POSITION
December 31, 2011

<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 225,740
Tenant accounts receivable	2,422
Rental assistance receivable	12,911
Prepaid Insurance	<u>5,014</u>
TOTAL CURRENT ASSETS	<u>246,087</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES	
Tenant security deposits	8,502
Reserve for replacements	<u>72,345</u>
TOTAL RESTRICTED DEPOSITS AND FUNDED RESERVES	<u>80,847</u>
PROPERTY AND EQUIPMENT	
Land	60,000
Building and improvements	2,948,004
Furniture and equipment	<u>54,015</u>
	3,062,019
Less accumulated depreciation	<u>(521,876)</u>
PROPERTY AND EQUIPMENT, NET	<u>2,540,143</u>
TOTAL ASSETS	<u>\$ 2,867,077</u>
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Current portion of long-term debt	\$ 12,172
Accounts payable	4,744
Accrued expenses	500
Accrued interest	<u>3,168</u>
TOTAL CURRENT LIABILITIES	20,584
DEPOSIT LIABILITIES	
Security deposit liability	8,502
LONG-TERM LIABILITIES	
Advances from Hoosier Uplands Economic Development Corporation	445,166
Long-term debt, less current portion	<u>1,853,016</u>
TOTAL LIABILITIES	2,327,268
NET ASSETS	<u>539,809</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,867,077</u>

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

STATEMENT OF ACTIVITIES
for the year ended December 31, 2011

REVENUE

Net rental income	\$ 255,063
Laundry and vending income	<u>3,513</u>

TOTAL REVENUE	<u>258,576</u>
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EXPENSES

Administrative expenses:	
Salaries and Fringe	29,494
Mileage and Lodging	1,149
Training	334
Bank Fees	126
Telephone, Postage and Copier	5,120
Computer, Software and Accounting	2,964
Audit Fees	500
Management Fees	28,554
Dues and Licenses	331

Utilities:	
Electric	10,322
Gas	391
Water	21,335

Operating and maintenance:	
Maintenance Salaries	16,386
Maintenance Expenses	36,939
Mowing and Lawn Care	5,660
Trash Removal	5,998
Snow Removal	1,170
Pest Control	1,980

Utility Reimbursements to Tenants	6,422
Insurance	36,084
Interest Expense	37,887
Depreciation	<u>110,131</u>

TOTAL EXPENSES	<u>359,277</u>
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CHANGE IN NET ASSETS	(100,701)
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NET ASSETS

Balance, beginning of year	<u>640,510</u>
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Balance, end of year	<u>\$ 539,809</u>
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PERSIMMON PARK APARTMENTS
(A Project Owned and Operated by Hoosier Uplands
Economic Development Corporation)

STATEMENT OF FINANCIAL POSITION
December 31, 2011

<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 63,146
Tenant accounts receivable	5,785
Rental assistance receivable	6,554
Prepaid insurance	<u>1,965</u>
TOTAL CURRENT ASSETS	<u>77,450</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES	
Tenant security deposits	8,925
Reserve for storm damage repair (insurance settlement proceeds)	99,772
Reserve for replacements	<u>58,873</u>
TOTAL RESTRICTED DEPOSITS AND FUNDED RESERVES	<u>167,570</u>
PROPERTY AND EQUIPMENT	
Land	112,500
Building and improvements	3,467,224
Furniture and equipment	<u>20,590</u>
	3,600,314
Less accumulated depreciation	<u>(397,338)</u>
PROPERTY AND EQUIPMENT, NET	<u>3,202,976</u>
TOTAL ASSETS	<u>\$ 3,447,996</u>
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Current portion of long-term debt	\$ 27,236
Accounts payable	4,629
Storm damage repair payable upon completion	116,295
Accrued expenses	500
Accrued interest	<u>4,053</u>
TOTAL CURRENT LIABILITIES	152,713
DEPOSIT LIABILITIES	
Security deposit liability	8,925
LONG-TERM LIABILITIES	
Advances from Hoosier Uplands Economic Development Corporation	251,917
Long-term debt, less current portion	<u>2,408,893</u>
TOTAL LIABILITIES	2,822,448
NET ASSETS	<u>625,548</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,447,996</u>

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

STATEMENT OF ACTIVITIES
for the year ended December 31, 2011

REVENUE

Net rental income	\$ 201,681
Laundry and vending income	3,191
Insurance Claim Revenue	<u>99,772</u>

TOTAL REVENUE

304,644

EXPENSES

Administrative expenses:

Salaries and Fringe	20,979
Mileage and Lodging	801
Training	334
Bank Fees	73
Telephone, Postage and Copier	3,361
Computer, Software and Accounting	2,957
Audit Fees	500
Filing Fees/Eviction Costs	858
Management Fees	27,323
Dues and Licenses	327

Utilities:

Electric	13,606
Water	14,776

Operating and maintenance:

Maintenance Salaries	19,311
Maintenance Expenses	17,197
Less: CSBG Support	(10,000)
Mowing and Lawn Care	5,121
Trash Removal	5,650
Snow Removal	1,089
Pest Control	2,270

Storm Damage Repairs	99,772
Utility Reimbursements to Tenants	2,804
Insurance	22,528
Interest Expense	47,646
Depreciation	<u>71,355</u>

TOTAL EXPENSES

370,638

CHANGE IN NET ASSETS

(65,994)

NET ASSETS

Balance, beginning of year	<u>691,542</u>
Balance, end of year	<u><u>\$ 625,548</u></u>

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

STATEMENT OF FINANCIAL POSITION
December 31, 2011

ASSETS

CURRENT ASSETS

Cash	\$ 27,643
Tenant accounts receivable	854
Rental assistance receivable	4,378
Prepaid insurance	387
	387

TOTAL CURRENT ASSETS 33,262

RESTRICTED DEPOSITS AND FUNDED RESERVES

Tenant security deposits	1,598
Reserve for replacements	13,054
	13,054

TOTAL RESTRICTED DEPOSITS AND FUNDED RESERVES 14,652

PROPERTY AND EQUIPMENT

Land	10,000
Building and improvements	1,012,787
	1,022,787
Less accumulated depreciation	(36,618)
	986,169

PROPERTY AND EQUIPMENT, NET 986,169

TOTAL ASSETS \$ 1,034,083

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of long-term debt	\$ 1,207
Accounts payable	1,444
Accrued expenses	2,500
Accrued interest	487
	487

TOTAL CURRENT LIABILITIES 5,638

DEPOSIT LIABILITIES

Security deposit liability	1,598
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LONG-TERM LIABILITIES

Advances from (to) Hoosier Uplands Economic Development Corporation	329
Long-term debt, less current portion	226,782
	226,782

TOTAL LIABILITIES 234,347

NET ASSETS 799,736

TOTAL LIABILITIES AND NET ASSETS \$ 1,034,083

TAYLOR APARTMENTS

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

STATEMENT OF ACTIVITIES for the year ended December 31,2011

REVENUE

Net rental income	\$	77,584
Laundry and vending income		<u>2,123</u>
TOTAL REVENUE		<u>79,707</u>

EXPENSES

Administrative expenses:		
Salaries and Fringe		6,181
Mileage and Lodging		306
Training		334
Telephone and Postage		1,371
Computer, Software and Accounting		99
Audit Fees		1,500
Management Fees		8,188
Dues and Licenses		108
Utilities:		
Electric		3,609
Water		4,141
Operating and maintenance:		
Maintenance Salaries		5,462
Maintenance Expenses		4,784
Mowing and Lawn Care		1,948
Trash Removal		1,269
Snow Removal		555
Pest Control		920
Utility Reimbursements to Tenants		1,964
Property Taxes		12,042
Interest Expense		4,792
Depreciation		<u>25,320</u>
TOTAL EXPENSES		<u>84,893</u>
CHANGE IN NET ASSETS		(5,186)

NET ASSETS

Balance, beginning of year	<u>804,922</u>
Balance, end of year	<u>\$ 799,736</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended December 31, 2011

<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	\$ 2,493,427
Head Start Body Start Grant #D184	93.600	5,000
ARRA - Early Head Start Discretionary	93.709	202,222
Drug Free Communities Support Program	93.276	<u>53,363</u>
Total directly received from the Department of Health and Human Service		<u>2,754,012</u>
<u>Passed through Indiana State Department of Health:</u>		
CHC Rural Health Clinic Support	93.913	535,174
Tuberculosis Control Program	93.116	<u>80,039</u>
Total passed through the Indiana State Department of Health		<u>615,213</u>
<u>Passed through Indiana State Department of Insurance:</u>		
State Health Insurance Assistance (SHIP)	93.779	<u>13,821</u>
Total passed through the Indiana State Department of Insurance		<u>13,821</u>
<u>Passed through Indiana Housing and Community Dev. Authority:</u>		
Community Services Block Grant	93.569	288,943
TANF Funded Low-Income Home Energy Assistance	93.558	187,799
Low-Income Home Energy Assistance	93.568	2,469,881
Low-Income Home Energy Assistance Weatherization	93.568	<u>264,151</u>
Total passed through the Indiana Housing and Community Development Authority		<u>3,210,774</u>
<u>Passed through Indiana University:</u>		
A.H.E.C.	93.107	<u>13,022</u>
Total passed through the Indiana University		<u>13,022</u>
<u>Passed through Indiana Family and Social Services Administration:</u>		
Cluster: IIIA Aging - Administration	93.044	80,704
IIIB Aging - Access Case Management	93.044	5,851
IIIB Aging - Access Information & Referral	93.044	165,407
IIIB Aging - Access Transportation	93.044	9,193
IIIB Aging - In Home Homemaker	93.044	34,988
IIIB Aging - In Home Transportation	93.044	1,253
IIIB Aging - Legal	93.044	3,892
IIIB Aging - Ombudsman	93.044	9,073
IIIC Aging - Home Delivered Meals	93.045	194,138
IIIC Aging - Congregate Meals	93.045	96,471
Elderly Nutrition - Nutrition Services Incentive Program (NSIP)	93.053	49,945
IIID Aging - Preventative Health	93.043	10,783
IIIB National Family Caregiver Support, Title III	93.052	60,271
Medical Assistance Program - Pre-Admission Screening	93.778	112,726
Strategic Prevention - S.I.G.	93.243	20,270
S.S.B.G.	93.667	170,516
Senior Community Service Employment Program - ARRA Chronic Disease Self Management	93.725	<u>14,521</u>
Total passed through the Indiana Family and Social Services Administration		<u>1,040,002</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended December 31, 2011**

Passed through Our Place, Inc:

Afternoons Rock! After School Program	93.959	<u>8,650</u>
Total passed through Our Place, Inc.		<u>8,650</u>

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES 7,655,494

U.S. Department of Agriculture

Directly from Department of Agriculture:

USDA Rural Development Housing Preservation	10.433	<u>73,760</u>
Total directly received from the Department of Agriculture		<u>73,760</u>

Passed through Bloomington Hospital, Inc. :

Special Supplemental Nutrition Program for Women, Infants and Children - Breastfeeding Peer Counseling Supplement	10.557	<u>6,803</u>
Total passed through the Bloomington Hospital, Inc.		<u>6,803</u>

Passed through Indiana State Department of Health:

WIC Martin County	10.557	<u>58,053</u>
Total passed through the Indiana State Department of Health		<u>58,053</u>

Passed through Indiana State Department of Education:

Child and Adult Food and Nutrition Program	10.558	<u>176,182</u>
Total passed through the Indiana State Department of Education		<u>176,182</u>

Passed through Purdue University:

Indiana AgrAbility Project	10.500	<u>8,837</u>
Total passed through Purdue University		<u>8,837</u>

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF AGRICULTURE 323,635

U.S. Department of Housing and Urban Development

Directly from Department of Housing and Urban Development:

HUD Housing Counseling	14.169	<u>29,685</u>
Total directly received from the U.S. Department of Housing and Urban Development		<u>29,685</u>

Passed through Indiana Housing and Community Dev. Authority:

Section 8 Housing Choice Vouchers	14.871	1,344,231
Community Development Block Grant - Neighborhood Stabilization Program	14.228	4,608,823
CDBG - Weatherization Deferral	14.228	105,158
HOME Investment Partnerships Program	14.239	<u>404,255</u>
Total passed through the Indiana Housing and Community Development Authority		6,462,467

Passed through the City of Mitchell:

City of Mitchell C.D.B.G.	14.228	<u>58,954</u>
Total passed through the City of Mitchell		<u>58,954</u>

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-Continued
for the year ended December 31, 2011

Passed through Orange County Commissioners:

Orange County C.D.B.G.	14.228	52,834
Total passed through the Orange County Commissioners		52,834

Passed through the Town of Paoli:

Town of Paoli C.D.B.G.	14.228	44,043
Total passed through the Town of Paoli		44,043

Passed through Washington County Commissioners:

Washington County C.D.B.G.	14.228	96,265
Total passed through the Washington County Commissioners		96,265

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	6,744,248
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U.S. Department of Energy

Passed through Indiana Housing and Community Dev. Authority:

ARRA Home Energy Conservation	81.042	1,058,501
Weatherization Assistance for Low-Income Persons	81.042	141,370
Total passed through the Indiana Housing and Community Development Authority		1,199,871

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF ENERGY	1,199,871
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U.S. Department of Education

Passed through Indiana State Department of Education:

21st Century Learning Center Program	84.287	837,905
Total passed through the Indiana State Department of Education		837,905

TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF EDUCATION	837,905
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TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	\$ 16,761,153
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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 (collectively the "Organization") as of and for the year ended December 31, 2011, and have issued our report thereon dated September 17, 2012. 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

Management of the Organization is responsible for establishing and maintaining effective internal control of financial reporting. In planning and performing our audit, we considered the Organization's 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 over financial reporting 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 the Organization'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, others within the entity, 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
September 17, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Hoosier Uplands Economic Development Corporation (a nonprofit organization) and Subsidiary's (collectively, the "Organization") compliance with the types of compliance requirement described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2011. The Organization'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 the Organization's management. Our responsibility is to express an opinion on the Organization'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 the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization'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 could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the Organization 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 the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the 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 the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purposed described in the first paragraph of this section and was not designed to 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, other within the entity, 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
Certified Public Accountants

Jeffersonville, Indiana
September 17, 2012

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended December 31, 2011**

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 Independent Auditors' Report on Compliance with Requirements That Could Have A Direct and Material Effect On 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
Head Start Body Grant #D184	93.600
ARRA - Early Head Start	93.709
<u>Weatherization Cluster:</u>	
Weatherization Assistance for Low Income Persons	81.042
ARRA – Home Energy Conservation	81.042
Grants to States for Operations of Offices of Rural Health –	
CHC Rural Health Clinic Support	93.913

HOOSIER UPLANDS ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
for the year ended December 31, 2011

A. SUMMARY OF AUDIT RESULTS - continued

- 8. The threshold for distinguishing Types A and B programs was \$502,835
- 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

Findings
None

Questioned
Costs
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.