



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

September 26, 2023

Board of Directors
Hoosier Uplands Economic Development Corporation
500 W. Main Street
Mitchell, IN 47446

We have reviewed the audit report of Hoosier Uplands Economic Development Corporation, which was opined upon by MCM CPAs & Advisors LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Independent Auditor's Report on Combined Financial Statements* the financial statements included in the report present fairly the financial condition of Hoosier Uplands Economic Development Corporation as of December 31, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, MCM CPAs & Advisors LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**Hoosier Uplands Economic Development Corporation
and Affiliates**

**Report on Audit of
Combined Financial Statements**

Year Ended December 31, 2022

Hoosier Uplands Economic Development Corporation and Affiliates
Table of Contents
Year Ended December 31, 2022

	<u>Page</u>
Independent Auditor's Report on Combined Financial Statements	1 - 3
Combined Financial Statements	
Combined Statement of Financial Position.....	4
Combined Statement of Activities	5
Combined Statement of Cash Flows.....	6
Notes to Combined Financial Statements.....	7 - 19
Supplementary Information	
Recap of Natural Expenses by Funding Source.....	20
Program A - Federal Programs	21 - 22
Program B - State Programs	23 - 38
Program C - Healthcare Division.....	39
Program D - General.....	40
Schedule of Partnership Revenues and Expenses.....	41 - 42
Schedule of Expenditures of Federal Awards and Notes.....	43 - 48
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	49 - 50
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance.....	51 - 53
Schedule of Findings and Questioned Costs.....	54
Summary Schedule of Prior Year Audit Findings	55
Exit Conference	56



Independent Auditor's Report on Combined Financial Statements

Board of Directors
Hoosier Uplands Economic Development Corporation and Affiliates

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of Hoosier Uplands Economic Development Corporation and Affiliates, which comprise the combined statement of financial position as of December 31, 2022 and the related combined statements of activities, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of Hoosier Uplands Economic Development Corporation and Affiliates as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Hoosier Uplands Economic Development Corporation and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hoosier Uplands Economic Development Corporation and Affiliates' ability to continue as a going concern for one year after the date that the financial statements are issued.

MCM CPAs & Advisors LLP

www.mcmcpa.com
888.587.1719

Independent Member of PrimeGlobal -
The Association of Advisory and Accounting Firms

Kentucky
Indiana
Ohio

Independent Auditor's Report on Combined Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We did not audit the financial statements of various partnerships (specifically Stalker Apartments L.P., and Stonecutters Place L.P., collectively the "various partnerships") whose statements reflect total assets constituting approximately 10.96% of combined total assets at December 31, 2022 and total revenues constituting approximately 1.06% of combined total revenues for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the various partnerships, is based solely on the report of the other auditors.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hoosier Uplands Economic Development Corporation and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hoosier Uplands Economic Development Corporation and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Independent Auditor's Report on Combined Financial Statements (Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and is not a required part of the combined financial statements. The supplementary information on pages 20 through 48 is also presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2023 on our consideration of Hoosier Uplands Economic Development Corporation and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hoosier Uplands Economic Development Corporation and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hoosier Uplands Economic Development Corporation and Affiliates' internal control over financial reporting and compliance.

MCM CPAs & Advisors LLP

Jeffersonville, Indiana
August 8, 2023

Hoosier Uplands Economic Development Corporation and Affiliates
Combined Statement of Financial Position
December 31, 2022

Assets

Current assets

Cash and cash equivalents	\$ 437,097
Certificates of deposit	607,917
Investments	8,775,571
Restricted deposits	1,326,584
Grants receivable	1,805,230
Patient receivables, net	712,252
Accounts receivable	31,895
Other receivables	93,776
Other assets	<u>185,801</u>

Total current assets 13,976,123

Property and equipment, net 37,143,564

Total assets \$ 51,119,687

Liabilities and net assets

Current liabilities

Current maturities of long-term debt	\$ 303,777
Accounts payable	782,776
Other liabilities	1,653,741
Unearned revenue/grants payable	<u>20,422</u>

Total current liabilities 2,760,716

Long-term debt, net of current maturities
and unamortized debt issuance costs 5,462,357

Total liabilities 8,223,073

Net assets without donor restrictions 42,896,614

Total liabilities and net assets \$ 51,119,687

See accompanying notes.

Hoosier Uplands Economic Development Corporation and Affiliates
Combined Statement of Activities
Year Ended December 31, 2022

Revenues and other support	
Contract and program revenue	\$ 17,502,103
Healthcare revenue, net of contractual adjustments	4,671,059
Miscellaneous revenue	1,544,739
In-kind revenue	588,169
Investment return	(1,162,944)
Rental income	2,241,165
	<hr/>
Total revenues and other support	25,384,291
Expenses	
Program A - Federal programs	
U.S. Department of Health and Human Services - Direct	4,330,873
U.S. Department of Housing and Urban Development	29,951
Program B - State programs	
Indiana Family and Social Services Administration - Aging Division	1,835,548
Indiana Housing and Community Development Authority - Community Division	7,526,990
Indiana Housing and Community Development Authority - Housing Rehabilitation	279,159
Indiana State Department of Health via Indiana University	302,690
Indiana State Department of Health	781,440
Indiana Department of Education	789,688
Purdue University	106,800
Indiana Department of Insurance	13,092
Indiana Tobacco Prevention and Cessation Prevention Initiatives	152,185
Program C - Healthcare division	
Healthcare programs	5,900,617
Program D - General	
General	970,507
Various partnerships	4,303,150
	<hr/>
Total expenses	27,322,690
	<hr/>
Change in net assets	(1,938,399)
Net assets, beginning of year	<hr/> 44,835,013
	<hr/>
Net assets, end of year	<u><u>\$ 42,896,614</u></u>

See accompanying notes.

Hoosier Uplands Economic Development Corporation and Affiliates
Combined Statement of Cash Flows
Year Ended December 31, 2022

Cash flows from operating activities	
Change in net assets	\$ (1,938,399)
Adjustments to reconcile change in net assets to net cash and restricted cash provided by operating activities	
Depreciation	1,139,593
Amortization	9,734
Realized and unrealized loss on investments, net	1,369,090
Loss on disposition of property and equipment	799,619
Gain on forgiveness of debt	(118,415)
(Increase) decrease in	
Grants receivable	(378,362)
Patient receivables	520,707
Accounts receivable	31,782
Other receivables	(10,425)
Other assets	94,202
Increase (decrease) in	
Accounts payable	49,054
Other liabilities	<u>(105,344)</u>
Net cash and restricted cash provided by operating activities	1,462,836
Cash flows from investing activities	
Purchases of property and equipment	(1,910,299)
Purchases of investments	(275,463)
Proceeds from sale of investments	450,000
Proceeds from sale of property and equipment	<u>42,735</u>
Net cash and restricted cash used by investing activities	(1,693,027)
Cash flows from financing activities	
Payments on long-term debt	<u>(284,844)</u>
Cash and restricted cash used by financing activities	<u>(284,844)</u>
Decrease in cash and restricted cash	(515,035)
Beginning of year	<u>2,278,716</u>
End of year	<u><u>\$ 1,763,681</u></u>
Supplemental information	
Interest paid	\$ 208,147
Reconciliation of cash and restricted cash	
Cash and cash equivalents	\$ 437,097
Restricted deposits	<u>1,326,584</u>
	<u><u>\$ 1,763,681</u></u>

See accompanying notes.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements
Year Ended December 31, 2022

Note A - Nature of Organization

Hoosier Uplands Economic Development Corporation ("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 and 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 Community Housing Development Organization, and licensed home health and hospice facility.

The accompanying combined financial statements include the accounts of Hoosier Uplands Economic Development Corporation, its wholly-owned subsidiary Shawnee Development Corporation and the following partnerships (collectively the "Entity"), which were established principally to acquire real estate and to develop low-income multi-family dwelling units:

- Bedford Apartments, L.P. - HUEDC is a 99.9% partner and Shawnee Development Corporation is a 0.1% general partner.
- Aspen Meadows, L.P. - HUEDC is a 99.99% partner and Shawnee Development Corporation is a .01% general partner.
- Pioneer Creek Apartments, L.P. - HUEDC is a 99.99% partner and Shawnee Development Corporation is a .01% general partner.
- Lost River Place, L.P. - HUEDC is a 99.99% partner and Shawnee is a .01% general partner.
- Spring Town Apartments, L. P. - Shawnee Development Corporation is a .01% general partner.
- Stalker Apartments, L.P. - Shawnee Development Corporation is a .01% general partner.
- Stonecutters Place, L.P. - Shawnee Development Corporation is a .01% general partner.

Significant intercompany transactions and balances have been eliminated in combination.

Note B - Summary of Significant Accounting Policies

1. Basis of Accounting and Presentation: The combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Accounting Standards Codification ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative GAAP.
2. Categories of Funds: The Combined Statement of Activities is classified into separate categories according to the source and nature of the activity. The four categories presented are:
 - Federal Programs: includes contracts and grants received directly from agencies of the U.S. Government.
 - State Programs: includes contracts and grants received from agencies of the State of Indiana.
 - Healthcare Division: includes the home health services (funded by Medicare, Medicaid, insurance and private-payers).
 - General: includes the corporate fund which consists of discretionary and board designated funds as well as related partnership operations.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note B - Summary of Significant Accounting Policies (Continued)

3. Use of Estimates: The preparation of combined 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
4. Cash Equivalents: The Entity considers all short-term investments with an original maturity of three months or less to be cash equivalents. There were no certificates of deposits meeting this definition at December 31, 2022.
5. Investments and Market Risk: Investments are stated at fair value determined by quoted market prices for the related securities. HUEDC has investments in money market funds and bonds that are subject to concentrations of credit risk. HUEDC also maintains funds with local community foundations. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of HUEDC.
6. Receivables: The Entity utilizes 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 \$30,000 for patient receivables is required at December 31, 2022. No other allowances are deemed necessary.
7. Property and Equipment: Property and equipment are capitalized and recorded at cost. Property and equipment donated are recorded at fair value at the date of donation. Major expenditures and those which substantially increase useful lives are capitalized. The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. Gains or losses on retirements or dispositions of assets are credited or charged to operations, and the respective costs and accumulated depreciation are eliminated from the accounts. Maintenance and repairs are charged to expense when incurred. Property and equipment are considered owned by the Entity while used in the current programs. Grantors maintain a reversionary interest in all non-expendable property purchased in whole or in part with federal and state funds.

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

Buildings and building and land improvements	5 - 50 years
Office furniture and equipment	3 - 10 years
Home health equipment	5 - 20 years
Vehicles	5 years

8. Impairment of Long-lived Assets: The Entity reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when the estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount.
9. Advertising: HUEDC expenses advertising costs as incurred. Total advertising expense, principally for its Healthcare Division, for the year ended December 31, 2022 was approximately \$75,000.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note B - Summary of Significant Accounting Policies (Continued)

10. Revenue Recognition: The Entity has patient receivables and healthcare revenue which is recorded 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 related receivables. Amounts reimbursed by the funding sources are determined in accordance with the provisions of cost-reimbursement formulas. Because all of its performance obligations relate to contracts with a duration of less than one year, the Entity has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and therefore is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to home health and hospice services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Entity uses a portfolio approach to account for categories of patient contracts as a collective group, rather than recognizing revenue on an individual contract basis. The portfolios consist of major payer classes for inpatient revenue and outpatient revenue. Based on the historical collection trends and other analysis, the Entity believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

HUEDC determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by explicit and implicit price concessions, including contractual adjustments provided to third-party payers, discounts provided to uninsured and underinsured patients in accordance with policy and/or implicit price concessions based on the historical collection experience of patient accounts. The Entity determines the transaction price associated with services provided to patients who have third-party payer coverage with Medicare, Medicaid, managed care programs, and other third-party payers based on reimbursement terms per contractual agreements, discount policies, and historical experience. Payment arrangements with those payers include prospectively determined rates per admission or visit, reimbursed costs, discounted charges, per diem rates, and value based payments.

Reported costs and/or services provided under certain arrangements are subject to retroactive audit and adjustment. In 2022, changes in estimates due to settlements of prior fiscal years' cost reports, Medicaid settlements, and the disposition of other payer audits and settlements were not significant. Future changes in Medicare and Medicaid programs and reduction in funding levels could have an adverse effect on the Entity. There were no other significant changes to the judgments used to determine the transaction price in prior periods.

Laws and regulations governing Medicare, Medicaid, and other governmental programs are complex and subject to varying interpretation. The Entity believes it is in compliance with applicable laws and regulations governing Medicare, Medicaid, and other governmental programs, as well as contracts that it has with commercial payers and that adequate provisions have been recorded for any adjustments that may result from final settlements.

HUEDC has revenue from cost-reimbursement grants. This revenue is recognized in the period in which the related expenses are incurred and claimed for reimbursement.

HUEDC also has performance-based grants (Fixed Unit Price). The revenue from grants wherein HUEDC is reimbursed based upon a contractually agreed-upon rate is recognized in the period in which HUEDC renders the service.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note B - Summary of Significant Accounting Policies (Continued)

11. Recent Accounting Pronouncements: The Entity adopted ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* for its fiscal year ended December 31, 2022. The guidance is intended to increase the transparency of contributed nonfinancial assets for not-for-profit Entities through enhanced presentation and disclosure. This ASU requires that nonfinancial assets are presented as separate line items in the statement of activities and changes in net assets and disclosures include a disaggregation of the amount contributed by category, a description of donor restrictions, and valuation techniques for the nonfinancial assets received. The adoption did not have a material impact on reported net assets as of January 1, 2022.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the combined statement of activities will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year ending December 31, 2023. The Entity is currently evaluating ASU 2016-13 and its related impact on the Entity's combined financial statements.

12. Leases: In February 2016, the FASB issued ASU 2016-02, *Leases*, which required all leases to be recognized on the Entity's statement of financial position as a Right-of-use ("ROU") asset and a lease liability, unless the lease is a short-term lease (generally a lease with a term of twelve months or less). On January 1, 2022, the Entity adopted ASU 2016-02 with no material impact to the combined financial statements.

The Entity determines if an arrangement is a lease at inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease.

Lease ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term, which is determined as the noncancelable period, including periods in which termination options are reasonably certain of not being exercised, and periods in which renewal options are reasonably certain of being exercised. The lease liabilities are measured by discounting future lease payments at a risk-free rate unless the implicit rate is readily determinable. ROU assets also include adjustments related to prepaid or deferred lease payments and lease incentives. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized over the shorter of their estimated useful life or the term of the lease.

For short term leases, (that is a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the Entity is reasonably certain to exercise) an ROU asset and lease liability is not recognized, instead lease payments are recognized in the income statement on a straight-line basis over the lease term and any variable lease payments are recognized when the obligation for those payments is incurred.

Lease agreements with lease and non-lease components are generally accounted for separately. The Entity has elected to account for the lease and non-lease components as a single lease component for all asset classes. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of non-lease components may be revised. These variable lease payments will be recognized in operating expenses in the period in which the obligation for those payments is incurred.

As of December 31, 2022, the Entity did not have any operating leases or finance leases that require recognition of a ROU asset and lease liability.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note B - Summary of Significant Accounting Policies (Continued)

13. Subsequent Events: Subsequent events for the Entity have been considered through the date of the Independent Auditor's Report, which represents the date that the combined financial statements were available to be issued.

Note C - Restricted Deposits

Under regulatory agreements, the Entity is required to set aside amounts for tenant security deposits and for the replacement of property and other expenditures as approved by the U.S. Department of Housing and Urban Development ("HUD"). From time-to-time other amounts with restrictions on use are maintained by the Entity. These restricted deposits are held in separate accounts and generally are not available for operating purposes. The balances in the reserve accounts at December 31, 2022 are as follows:

Security deposits	\$ 142,629
Replacement reserve	798,730
Working capital and operating reserve	251,357
Residents counsel fund	200
Investor service fee reserve	47,650
Partnership shortfall reserve	86,018
	<u> </u>
	<u><u>\$ 1,326,584</u></u>

Note D - Fair Value Measurement

The fair value provisions of the ASC define fair value as the price that would be received by the Entity to sell an asset or be paid by the Entity to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. These provisions also expand disclosures about fair value measurements and establish a framework for measuring fair value, a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy prioritizes the inputs (from the most objective to the most subjective) to the valuation techniques used to measure fair value into the three broad levels described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs such as quoted prices in active markets for similar assets or liabilities or quoted prices for identical or similar assets or liabilities in markets that are not active, or unobservable inputs that are derived principally from or corroborated by observable market data.
- Level 3: Unobservable inputs that are based on the entity's own assumptions as to how knowledgeable parties would price assets or liabilities that are not corroborated by market data.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note D - Fair Value Measurement (Continued)

Following is a description of the valuation methodologies used for the assets and liabilities measured at fair value. There have been no changes in the methodologies used to determine fair value at December 31, 2022.

- *Government, Corporate, and Municipal Bonds:* Valued based on yields currently available on comparable securities of issuers with similar credit ratings.
- *Common and Preferred Stocks:* Valued at the closing price reported on the active market in which the individual security is traded.
- *Mutual Funds:* Valued at the net asset value ("NAV") of shares held by the Entity at year end. The NAV is based on the value of the underlying investment assets owned by the fund minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.
- *Assets held by Community Foundation:* These investments are valued using the NAV provided by the Foundation. The NAV is based on the value of the underlying investment assets.

Fair values of financial assets measured on a recurring basis at December 31, 2022, consist of the following:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>
Government bonds	\$ 2,024,318	\$ -	\$ 2,024,318
Corporate bonds	1,639,044	-	1,639,044
Municipal bonds	535,293	-	535,293
Common stocks	2,255,371	2,255,371	-
Preferred stocks	9,653	9,653	-
Mutual funds	2,270,899	2,270,899	-
Assets held by Community Foundation	<u>40,993</u>	<u>-</u>	<u>40,993</u>
	<u>\$ 8,775,571</u>	<u>\$ 4,535,923</u>	<u>\$ 4,239,648</u>

Investment return (including activity related to cash equivalents and certificates of deposit) for the year ended December 31, 2022 is as follows:

Interest and dividends	\$ 251,091
Unrealized losses	(2,066,838)
Realized gain	<u>697,748</u>
	(1,117,999)
Less: investment expense	<u>(44,945)</u>
Net investment return	<u>\$ (1,162,944)</u>

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the values of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the combined statement of financial position and combined statement of activities.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note E - Grants Receivable

Grants receivable at December 31, 2022, consist of the following:

Indiana Department of Family & Social Services	\$ 573,619
Indiana Housing and Community Development Authority	287,722
Indiana State Department of Health	265,498
Municipalities	246,956
Indiana Department of Education	158,273
State of Indiana - Medicaid	103,035
Indiana University	85,913
U.S. Department of Health and Human Services	64,674
Department of Housing and Urban Development	7,322
Saint Vincent	7,132
Purdue University	<u>5,086</u>
	<u><u>\$ 1,805,230</u></u>

Note F - Property and Equipment

Property and equipment at December 31, 2022, consist of the following:

Land	\$ 2,731,084
Land improvements	1,655,216
Buildings and building improvements	45,968,856
Office furniture and equipment	1,840,406
Home health equipment	175,188
Vehicles	<u>676,073</u>
	53,046,823
Less accumulated depreciation	<u>(15,903,259)</u>
Property and equipment, net	<u><u>\$ 37,143,564</u></u>

Depreciation expense charged to operations was \$1,139,593 for the year ended December 31, 2022.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note G - Long-term Debt

Following is a summary of long-term debt at December 31, 2022:

Note payable to Old National Bank, payable in monthly installments of \$2,619 through February 2029. The interest rate on the note is a fixed rate of 5.02%. The mortgage is secured by real estate in Mitchell, Indiana. (500 West Main Street)	\$ 164,761
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. (New Horizons Apartments)	928,018
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 \$1,831 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex. (New Horizons Apartments)	663,931
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. (New Horizons Apartments)	85,498
Mortgage payable to Rural Housing Development Corporation, payable in monthly installments of \$2,852 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 \$3,751 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex. (Persimmon Park Apartments)	1,186,719
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. (Persimmon Park Apartments)	917,016
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. (Lost River II, LLC)	305,904
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. (Taylor Apartments)	<u>202,670</u>
Balance forward	4,454,517

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note G - Long-term Debt (Continued)

Note payable to Indiana Housing and Community Development Authority, payable in 33 annual installments of \$11,212 beginning May 2019 and continuing through May 2051. The note carries no interest and is secured by two certificates of deposit held by HUEDC. (Hoosier Uplands Phoenix, LLC)	\$ 325,152
Note payable to Indiana Housing and Community Development Authority, payable in annual payments based on annual net cash flow of the property with final payment due October 2023. This note carries no interest. Mortgage is secured by an apartment complex. (Hoosier Uplands College Hill, LLC)	45,000
Mortgage payable to Old National Bank, payable in monthly installments of principal and interest of \$3,232 through December 2025 at an interest rate of 3.55%. The note is secured by a mortgage and security interest on Aspen Meadows Apartments and all property and equipment and an assignment of any rents or income derived from the project. (Aspen Meadows, L.P.)	409,374
Note payable to Springs Valley Bank and Trust Company, payable in monthly installments of principal and interest of \$5,620 through August 2029 at an interest rate based upon the Five-Year Treasury Constant Maturity rate plus 3.50%. The current interest rate is 5.375%. The note is secured by a mortgage lien and security interest on Bedford Apartments. (Bedford Apartments, L.P.)	408,504
Note payable to Old National Bank, payable in monthly installments of principal and interest of \$2,514 through January 2028 at an interest rate of 3.25%. The note is secured by security interest on Pioneer Creek Apartments. (Pioneer Creek Apartments, L.P.)	<u>141,012</u>
Principal balance due	5,783,559
Less unamortized debt issuance costs	<u>(17,425)</u>
	5,766,134
Less current maturities of long-term debt	<u>(303,777)</u>
Long-term debt, net of current maturities and unamortized debt issuance costs	<u><u>\$ 5,462,357</u></u>

Amortization of debt issuance costs charged to interest expense for the year ended December 31, 2022 totaled \$1,487.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note G - Long-term Debt (Continued)

Aggregate maturities of long-term debt at December 31, 2022 are as follows:

2024	310,222
2025	642,909
2026	179,940
2027	187,636
Thereafter	<u>4,159,075</u>
Total	<u>\$ 5,783,559</u>

Note H - Donated Service/Grant Matching Requirements

In the course of operating its grant programs, HUEDC receives the services of volunteers in the community. These services are recorded at their estimated fair value as in-kind revenue and expense in the Combined Statement of Activities.

Certain grants administered by HUEDC during the year ended December 31, 2022 required HUEDC to attain minimum levels of matching funds consisting of in-kind revenue as well as actual cash contributions. All such contractual requirements pertaining to contracts ending within the year ended December 31, 2022, were achieved. The total amount of in-kind revenue received during the year ended December 31, 2022 was \$588,169, which consist of Head Start and Aging volunteer hours of \$258,461 and \$329,708, respectively.

Note I - 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 up to a maximum amount of \$100 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 2022 was \$182,125.

Note J - 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.

HUEDC's wholly owned subsidiary, Shawnee Development Corporation, Inc. ("SDC") is organized as a regular C corporation and consequently is subject to federal, state, and local income tax on its earnings and profits. SDC had no significant operating activity during the year ended December 31, 2022.

HUEDC and SDC evaluate all local, state, and federal income tax returns for potential uncertain tax positions taken. Management has concluded there are no tax positions attributed to HEUDC or SDC which meet the "more-likely-than-not" criterion in the ASC. Accordingly, the accompanying combined financial statements do not include a provision for uncertain tax positions, and no related interest or penalties have been recorded in the combined statement of activities or accrued in the combined statement of financial position.

FASB ASU No. 2009-06 defines tax positions applicable to pass-through Entity, such as S corporations, partnerships, and limited liability companies, and only requires income taxes attributed to the reporting entity and not the individual owners to be considered tax positions.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note K - Concentration of Credit Risk

Cash Concentration Risk

The Entity at times maintains balances with its banks in excess of federally insured limits.

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 L - Contingent Obligation

In a prior year, HUEDC received funds from the Federal Home Loan Bank of Indianapolis totaling \$585,000. These funds were reflected in the Combined Statement of Activities as grant revenue in the year the funds were received. However, HUEDC is required to fulfill certain requirements and maintain the operations of the apartment complex through 2025; otherwise, these funds may be required to be repaid. It is management's intent to comply with the provisions of this agreement.

In a prior year, HUEDC received funds from the Federal Home Loan Bank of Indianapolis totaling \$250,000. These funds were reflected in the Combined Statement of Activities as grant revenue. However, HUEDC is required to fulfill certain requirements and maintain the operations of the apartment complex through 2027; otherwise, these funds may be required to be repaid. It is management's intent to comply with the provisions of this agreement.

Note M - Liquidity and Availability of Resources

The Entity regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. The Entity has various sources of liquidity at its disposal including cash and cash equivalents, and investments. Investments consist primarily of equity and fixed income securities that can be readily converted to cash. Management of the Entity's liquidity is based on general principles of maintaining fiscal stability, maintaining adequate liquid assets to fund near-term operating needs, maintaining sufficient reserves for discharging long-term obligations, and preserving the principal and return on investments.

The table below presents financial assets available for general expenditures within one year at December 31, 2022:

Cash and cash equivalents	\$ 437,097
Certificates of deposit	607,917
Investments	8,775,571
Grants receivable	1,805,230
Patient receivables, net	712,252
Accounts receivable	31,895
Other receivables	<u>93,776</u>
	<u>\$ 12,463,738</u>

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note N - Functional Classification of Expenses

The Entity reports expenditures that can be identified specifically with a particular program objective to the appropriate funding source and cost classification. Costs are directly charged to program expenses to the extent possible. Common costs such as computer, postage, copier, space costs, and telephone are allocated according to usage or benefit related to the particular programs. The following page presents expenses by natural classification and function for the Entity for the year ended December 31, 2022.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2022

Note N - Functional Classification of Expenses (Continued)

	Head Start	Senior support services	Energy assistance and weatherization	Housing assistance	Nutrition services and aid	Healthcare and prevention services	Housing partnerships	Other community services	Administrative	Total expenses
Salaries and fringe	\$ 2,854,955	\$ 1,077,861	\$ 386,202	\$ 151,780	\$ 511,939	\$ 4,451,676	\$ -	\$ 449,389	\$ 1,344,162	\$ 11,227,964
Mileage, per diem, lodging and travel	25,590	11,325	6,742	5,310	10,654	252,508	-	12,871	34,328	359,328
Training, registrations, and conferences	39,308	2,439	701	-	2,731	25,027	-	12,843	3,919	86,968
Space costs, repairs, and maintenance	354,753	(609,286)	176,174	38,343	8,216	1,209,146	-	52,303	(1,879,477)	(649,828)
Vehicle operation expense	30,426	911	7,114	-	585	1,727	-	7,263	7,666	55,692
Furniture, equipment, vehicle purchases	1,437	3,436	1,604	150	9,078	5,551	-	-	15,807	37,063
Bank fees and interest expense	-	-	298	-	-	5,396	-	-	21,846	27,540
Food and kitchen	-	-	-	-	145,334	557	-	-	74,024	219,915
Management fees	-	-	-	-	-	-	-	-	7,988	7,988
Info technology, computer & software costs	9,212	3,024	725	5,449	2,290	165,352	-	1,275	31,693	219,020
Contracted services	5,814	87,509	67	7,776	47,644	46,557	-	23,482	901	219,750
Program supplies & printing	310,239	36,281	87,233	2,661	41,212	93,418	-	874	16,889	588,807
Telephone, cable, & internet	33,022	12,859	14,392	3,671	6,710	55,955	-	1,241	43,851	171,701
Postage	1,396	4,580	7,229	5,044	886	10,181	-	72	22,577	51,965
Copier costs	9,291	4,864	443	2,377	6,583	18,877	-	637	20,416	63,488
Client/employee assistance and services	1,203	505,656	4,259,630	1,459,178	413,293	602,453	-	89,602	126,254	7,457,269
Donations, grants, and scholarships	-	-	-	-	-	-	-	-	397,116	397,116
Dues, subscriptions, and entertainment	20,478	12,275	2,062	1,645	1,499	41,927	-	179	35,683	115,748
Subcontracted services	-	-	-	-	-	-	-	-	790,531	790,531
Public information & events	19,679	46,482	37	-	3,793	53,106	-	7,320	67,102	197,519
Community development & improvement	-	-	-	-	-	-	-	-	125,578	125,578
Inter co support	-	-	-	-	330	-	-	-	(32,722)	(32,392)
Insurance	-	-	-	-	-	-	-	-	279,082	279,082
Legal/filing/consulting fees	-	-	-	-	-	-	-	811	32,456	33,267
Audit and tax preparation	-	-	-	-	-	-	-	-	65,229	65,229
Interest expense	-	-	-	-	-	-	368,720	-	-	368,720
Depreciation	36,700	-	3,996	-	-	-	824,530	-	274,367	1,139,593
In-kind expenses	504,910	61,309	-	-	21,950	-	-	-	-	588,169
Partnership expenses, exclusive of deprecation and interest	-	-	-	-	-	-	3,109,900	-	-	3,109,900
Total	\$ 4,258,413	\$ 1,261,525	\$ 4,954,649	\$ 1,683,384	\$ 1,234,727	\$ 7,039,414	\$ 4,303,150	\$ 660,162	\$ 1,927,266	\$ 27,322,690

Supplementary Information

Hoosier Uplands Economic Development Corporation and Affiliates
Recap of Natural Expenses by Funding Source
Year Ended December 31, 2022

	U.S. Department of Health and Human Services - Direct	U.S. Department of Housing and Urban Development	Indiana Family and Social Services Administration - Aging Division	Indiana Housing and Community Development Authority - Community Division	Indiana Housing and Community Development Authority - Housing Rehabilitation	Indiana State Department of Health via Indiana University	Indiana State Department of Health	Indiana Department of Education	Purdue University	Indiana Department of Insurance	Indiana Tobacco Prevention and Cessation	Healthcare	General	Various partnerships	Total expenses
Salaries and fringe	\$ 2,854,955	\$ 27,884	\$ 1,211,961	\$ 834,405	\$ 21,584	\$ 189,714	\$ 588,960	\$ 444,900	\$ 31,061	\$ 5,376	\$ 127,937	\$ 3,545,065	\$ 1,344,162	\$ -	\$ 11,227,964
Mileage, per diem, lodging and travel	25,590	-	11,387	12,261	353	2,107	24,521	10,654	11,628	619	4,025	221,855	34,328	-	359,328
Training, registrations, and conferences	39,308	-	2,439	4,951	-	4,135	17,951	2,731	8,593	-	1,033	1,908	3,919	-	86,968
Space costs, repairs, and maintenance	106,633	-	26,618	46,168	-	6,354	11,154	22,688	-	-	-	114,393	(983,836)	-	(649,828)
Vehicle operation expense	30,426	-	911	14,219	-	464	722	585	158	-	-	541	7,666	-	55,692
Furniture, equipment, vehicle purchases	1,437	-	3,436	1,754	-	2,346	2,725	9,078	-	-	-	480	15,807	-	37,063
Bank fees and interest expense	-	-	-	298	-	-	35	-	-	-	-	5,361	21,846	-	27,540
Food and kitchen	-	-	-	-	-	-	557	145,334	-	-	-	-	74,024	-	219,915
Management fees	-	-	-	-	-	-	-	-	-	-	-	-	7,988	-	7,988
Info technology, computer & software costs	9,212	-	3,024	7,359	-	983	940	2,290	90	-	519	162,910	31,693	-	219,020
Contracted services	5,814	-	87,509	7,843	-	22,729	-	47,644	23,482	-	-	-	23,828	-	219,750
Program supplies & printing	310,239	517	36,281	89,364	15	3,279	48,674	41,212	872	-	4,981	36,484	16,889	-	588,807
Telephone, cable, & internet	33,022	-	12,859	19,304	-	4,335	6,358	6,710	-	-	550	44,712	43,851	-	171,701
Postage	1,396	-	4,580	12,173	116	252	687	886	52	4	22	9,220	22,577	-	51,965
Copier costs	9,291	-	4,864	3,241	-	274	4,065	6,583	216	-	32	14,506	20,416	-	63,488
Client/employee assistance and services	1,203	-	962,904	5,743,766	-	53,997	38,801	-	20,689	-	-	509,655	126,254	-	7,457,269
Donations, grants, and scholarships	-	-	-	-	-	-	-	-	-	-	-	-	397,116	-	397,116
Dues, subscriptions, and entertainment	20,478	1,550	12,275	2,336	-	1,387	42	1,499	-	-	522	39,976	35,683	-	115,748
Subcontracted services	-	-	-	476,722	257,091	-	-	-	-	-	-	-	56,718	-	790,531
Public information & events	19,679	-	46,482	37	-	128	3,145	3,793	227	7,093	6,286	43,547	67,102	-	197,519
Community development & improvement	-	-	-	-	-	-	-	-	-	-	-	-	125,578	-	125,578
Inter co support	-	-	-	-	-	-	-	330	-	-	-	-	(32,722)	-	(32,392)
Insurance	60,213	-	7,004	25,134	-	1,899	3,771	6,835	115	-	266	62,678	111,167	-	279,082
Legal/filing/consulting fees	-	-	-	811	-	-	-	-	-	-	-	-	32,456	-	33,267
Audit and tax preparation	12,247	-	(5,936)	15,108	-	2,311	2,542	2,858	1,850	-	1,512	22,539	10,198	-	65,229
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	368,720	368,720
Depreciation	36,700	-	-	3,996	-	-	-	-	-	-	-	-	274,367	-	1,139,593
Partnership expenses, exclusive of depreciation and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	3,109,900	3,109,900
Allocated costs	248,120	-	(676,309)	205,740	-	5,996	25,790	33,078	7,767	-	4,500	1,040,959	(895,641)	-	-
In-kind expenses	504,910	-	83,259	-	-	-	-	-	-	-	-	-	-	-	588,169
Total	\$ 4,330,873	\$ 29,951	\$ 1,835,548	\$ 7,526,990	\$ 279,159	\$ 302,690	\$ 781,440	\$ 789,688	\$ 106,800	\$ 13,092	\$ 152,185	\$ 5,900,617	\$ 970,507	\$ 4,303,150	\$ 27,322,690

See independent auditor's report.

Program A - Federal Programs

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source
For the Year Ending December 31, 2022

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

	Head Start and Early Head Start Agreement # 05CH8438-05-00 05CH01147501/C3 CFDA 93.6000
Salaries and fringe	\$ 2,854,955
Mileage, per diem, lodging and travel	25,590
Training, registrations, and conferences	39,308
Space costs, repairs, and maintenance	106,633
Vehicle operation expense	30,426
Furniture, equipment, vehicle purchases	1,437
Info technology, computer & software costs	9,212
Contracted services	5,814
Program supplies & printing	310,239
Telephone, cable, & internet	33,022
Postage	1,396
Copier costs	9,291
Client/employee assistance and services	1,203
Dues, subscriptions, and entertainment	20,478
Public information & events	19,679
Insurance	60,213
Audit and tax preparation	12,247
Depreciation	36,700
Administration (agency)	219,198
Allocated IT dept costs	28,922
In-kind expenses	504,910
	<u>\$ 4,330,873</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022**

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

	H.U.D.
	Housing
	Counseling
	HC200421024
	HC220421042
	<u>CFDA 14.169</u>
Salaries and fringe	\$ 27,884
Program supplies & printing	517
Dues, subscriptions, and entertainment	<u>1,550</u>
	<u>\$ 29,951</u>

See independent auditor's report.

Program B - State Programs

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through the Indiana Family and Social Services Administration, Division of Aging and Mental Health & Addiction

	IIIA Admin 22/23 Contract # #069838 CFDA 93.044	IIIA Admin 21/22 Contract # #059601 CFDA 93.044	IIIA Admin 20/21 Contract # #049780 CFDA 93.044	IIIA Admin (ARP) 22-24 Contract # #063256 CFDA 93.044	IIIB Services 22/23 Contract # #069838 CFDA 93.044	IIIB Services 21/22 Contract # #059601 CFDA 93.044	IIIB Services 20/21 Contract # #049780 CFDA 93.044	IIIC Congregate Meals 20/21 Contract # #049780 CFDA 93.045
Salaries and fringe	\$ 6,603	\$ 15,983	\$ -	\$ -	\$ 7,826	\$ 2,006	\$ (16,132)	\$ 44,070
Mileage, per diem, lodging and travel	-	-	-	-	(3)	361	(268)	-
Training, registrations, and conferences	-	-	-	-	-	-	-	-
Space Costs, repairs, and maintenance	1,173	2,346	-	-	-	686	-	-
Vehicle operation expense	116	148	-	-	-	-	-	-
Furniture, equipment, vehicle purchases	-	-	-	-	-	-	-	-
Info technology, computer & software costs	120	233	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-
Program supplies & printing	-	-	-	-	-	-	-	-
Telephone, cable, & internet	432	558	-	-	-	-	-	-
Postage	215	1,406	-	-	-	81	-	-
Copier costs	74	149	-	-	-	-	-	-
Client/employee assistance and services	-	-	-	-	10,982	69,671	(2,908)	148,716
Dues, subscriptions, and entertainment	-	1,500	-	-	-	-	-	-
Public information & events	-	435	-	-	-	-	-	-
Insurance	1,783	566	-	-	-	-	-	-
Audit and tax preparation	1,215	-	-	-	-	-	-	-
Administration (agency)	8,250	13,750	-	1,664	-	-	-	-
Allocated case management	-	-	-	-	6,979	28,266	(9,271)	-
Allocated IT dept costs	-	-	-	-	-	-	-	-
Older hoosier subsidy	-	-	-	-	(1,750)	(13,080)	-	(7,277)
NSIP subsidy	-	-	-	-	-	-	-	(2,750)
In-kind expenses	4,274	20,899	15,270	-	1,070	11,565	6,104	17,165
	<u>\$ 24,255</u>	<u>\$ 57,973</u>	<u>\$ 15,270</u>	<u>\$ 1,664</u>	<u>\$ 25,104</u>	<u>\$ 99,556</u>	<u>\$ (22,475)</u>	<u>\$ 199,924</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through the Indiana Family and Social Services Administration, Division of Aging and Mental Health & Addiction

	IIC Congregate Meals 21/22 Contract # #059601 CFDA 93.045	IIC Home Del Meals 20/21 Contract # #049780 CFDA 93.045	IIC Home Del Meals 21/22 Contract # #059601 CFDA 93.045	IIC Home Del Meals 22/23 Contract # #069838 CFDA 93.045	IIE Family Caregiver 20/21 Contract # #049780 CFDA 93.052	Title VII Ombudsman 20/21 Contract # #049780 CFDA 93.042	Assisted Living Ombudsman 20/21 Contract # #049780 CFDA N/A	Assisted Living Ombudsman 21/22 Contract # #055527 CFDA N/A
Salaries and fringe	\$ -	\$ 3,916	\$ 13,489	\$ 5,564	\$ (2,135)	\$ -	\$ -	\$ -
Mileage, per diem, lodging and travel	-	-	-	-	-	-	-	-
Training, registrations, and conferences	-	-	-	-	-	-	-	-
Space Costs, repairs, and maintenance	-	-	-	-	-	-	-	-
Vehicle operation expense	-	-	-	-	-	-	-	-
Furniture, equipment, vehicle purchases	-	-	-	-	-	-	-	-
Info technology, computer & software costs	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-
Program supplies & printing	-	-	-	-	-	-	-	-
Telephone, cable, & internet	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-
Copier costs	-	-	-	-	-	-	-	-
Client/employee assistance and services	-	74,953	119,983	69,641	5,314	791	-	2,663
Dues, subscriptions, and entertainment	-	-	-	-	-	-	-	-
Public information & events	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Audit and tax preparation	-	-	-	-	-	-	-	-
Administration (agency)	-	-	-	-	-	-	-	-
Allocated case management	-	-	-	-	-	-	-	-
Allocated IT dept costs	-	-	-	-	-	-	-	-
Older hoosier subsidy	(300)	(4,073)	(8,800)	(3,550)	-	-	-	-
NSIP subsidy	-	(2,550)	(13,050)	(5,200)	-	-	-	-
In-kind expenses	-	(14,290)	10,898	8,177	2,127	-	-	-
	<u>\$ (300)</u>	<u>\$ 57,956</u>	<u>\$ 122,520</u>	<u>\$ 74,632</u>	<u>\$ 5,306</u>	<u>\$ 791</u>	<u>\$ -</u>	<u>\$ 2,663</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through the Indiana Family and Social Services Administration, Division of Aging and Mental Health & Addiction

	Pre-Admission Screening 22/23 Contract # #064675 CFDA N/A	Pre-Admission Screening 21/22 Contract # #055309 CFDA N/A	Older Hoosier Funds 22/23 Contract # #065035 CFDA N/A	Older Hoosier Funds 21/22 Contract # #055527 CFDA N/A	S.S.B.G. Funds 22/23 Contract # #069838 CFDA 93.667	S.S.B.G. Funds 21/22 Contract # #059601 CFDA 93.667	CHOICE Funds 22/23 Contract # #065035 CFDA N/A	CHOICE Funds 21/22 Contract # #055527 CFDA N/A
Salaries and fringe	\$ 11	\$ -	\$ -	\$ -	\$ 35,688	\$ 31,373	\$ 67,211	\$ 40,757
Mileage, per diem, lodging and travel	22	-	-	-	7	55	524	500
Training, registrations, and conferences	-	-	-	-	-	-	-	-
Space Costs, repairs, and maintenance	-	-	-	-	-	-	524	(456)
Vehicle operation expense	-	-	-	-	-	-	-	-
Furniture, equipment, vehicle purchases	-	-	-	-	-	-	-	-
Info technology, computer & software costs	-	-	-	-	-	-	270	1
Contracted services	-	-	-	-	-	-	-	-
Program supplies & printing	-	-	-	-	-	-	-	(605)
Telephone, cable, & internet	257	279	-	-	-	-	903	(825)
Postage	-	-	-	-	-	-	129	22
Copier costs	-	-	-	-	-	-	-	-
Client/employee assistance and services	-	-	-	-	10,632	33,323	270,487	140,637
Dues, subscriptions, and entertainment	-	-	-	-	-	-	39	-
Public information & events	-	-	-	-	-	-	-	-
Insurance	222	222	-	-	-	-	-	(1,034)
Audit and tax preparation	-	-	-	-	-	-	1,039	(10,473)
Administration (agency)	-	-	-	-	-	-	16,200	3,334
Allocated case management	-	-	-	-	1,117	6,028	17,222	13,019
Allocated IT dept costs	-	-	-	-	-	-	6,238	(3,102)
Older hoosier subsidy	-	-	15,861	22,969	-	-	-	-
NSIP subsidy	-	-	-	-	-	-	-	-
In-kind expenses	-	-	-	-	-	-	-	-
	<u>\$ 512</u>	<u>\$ 501</u>	<u>\$ 15,861</u>	<u>\$ 22,969</u>	<u>\$ 47,444</u>	<u>\$ 70,779</u>	<u>\$ 380,786</u>	<u>\$ 181,775</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through the Indiana Family and Social Services Administration, Division of Aging and Mental Health & Addiction

	Medicaid Waiver Intake 22/23 Contract # #064675 CFDA N/A	Medicaid Waiver Intake 21/22 Contract # #055309 CFDA N/A	NSIP Nutrition 22/23 Contract # #069838 CFDA 93.053	NSIP Nutrition 21/22 Contract # #059601 CFDA 93.053	Case Management 2022	Vaccine Grant IIIB 21-23 Contract # #059438 CFDA 93.044	Vaccine Grant ADRC 21-23 Contract # #059438 CFDA 93.048
Salaries and fringe	\$ 26,951	\$ 34,765	\$ -	\$ -	\$ 757,942	\$ -	\$ -
Mileage, per diem, lodging and travel	3,035	210	-	-	177	-	-
Training, registrations, and conferences	(216)	625	-	-	-	-	-
Space Costs, repairs, and maintenance	2,655	1,380	-	-	16,008	-	-
Vehicle operation expense	-	65	-	-	36	-	-
Furniture, equipment, vehicle purchases	-	-	-	-	3,278	-	-
Info technology, computer & software costs	69	45	-	-	1,618	-	-
Contracted services	-	-	-	-	-	-	-
Program supplies & printing	-	94	-	-	18,998	-	33
Telephone, cable, & internet	1,051	508	-	-	7,679	-	-
Postage	8	5	-	-	2,465	-	220
Copier costs	-	-	-	-	4,741	-	-
Client/employee assistance and services	380	7,546	-	-	-	-	-
Dues, subscriptions, and entertainment	9,509	(2,153)	-	-	3,338	-	-
Public information & events	1,656	2,713	-	-	3,429	4,909	10,387
Insurance	1,379	-	-	-	2,300	-	-
Audit and tax preparation	1,117	-	-	-	724	-	-
Administration (agency)	4,500	4,500	-	-	-	-	-
Allocated case management	-	-	-	-	(822,731)	-	-
Allocated IT dept costs	9,386	4,650	-	-	-	-	-
Older hoosier subsidy	-	-	-	-	-	-	-
NSIP subsidy	-	-	-	23,550	-	-	-
In-kind expenses	-	-	-	-	-	-	-
	<u>\$ 61,480</u>	<u>\$ 54,953</u>	<u>\$ -</u>	<u>\$ 23,550</u>	<u>\$ 2</u>	<u>\$ 4,909</u>	<u>\$ 10,640</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022**

Funded through the Indiana Family and Social Services Administration, Division of Aging and Mental Health & Addiction

	Choices Initiative Washington 21-23 #059777 CFDA 93.959	Choices Initiative Lawrence 22/23 #044198 CFDA 93.959	Choices Initiative Lawrence 21/22 #044198 CFDA 93.959	F.S.S.A. Aging Division Totals
Salaries and fringe	\$ 6	\$ 66,187	\$ 69,880	\$ 1,211,961
Mileage, per diem, lodging and travel	25	5,041	1,701	11,387
Training, registrations, and conferences	-	100	1,930	2,439
Space Costs, repairs, and maintenance	-	1,306	996	26,618
Vehicle operation expense	-	546	-	911
Furniture, equipment, vehicle purchases	-	158	-	3,436
Info technology, computer & software costs	7	483	178	3,024
Contracted services	87,509	-	-	87,509
Program supplies & printing	-	11,819	5,942	36,281
Telephone, cable, & internet	-	921	1,096	12,859
Postage	-	23	6	4,580
Copier costs	-	(225)	125	4,864
Client/employee assistance and services	-	30	63	962,904
Dues, subscriptions, and entertainment	-	42	-	12,275
Public information & events	-	10,755	12,198	46,482
Insurance	-	1,041	525	7,004
Audit and tax preparation	-	442	-	(5,936)
Administration (agency)	4,992	4,350	4,350	65,890
Allocated case management	-	-	-	(759,371)
Allocated IT dept costs	-	-	-	17,172
Older hoosier subsidy	-	-	-	-
NSIP subsidy	-	-	-	-
In-kind expenses	-	-	-	83,259
	<u>\$ 92,539</u>	<u>\$ 103,019</u>	<u>\$ 98,990</u>	<u>\$ 1,835,548</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

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

	Weatherization Assist. For Low- Income Persons 22/23 WX-022-012 CFDA 81.042	Weatherization Assist. For Low- Income Persons 21/22 WX-021-012 CFDA 81.042	Weatherization Low-Income Home Energy Assist 21/22 WL-022-012 CFDA 93.568	Weatherization Low-Income Home Energy Assist Carry-over 22/23 WL-022-012-C CFDA 93.568	Weatherization Low-Income Home Energy Assist Wx (ARPA) 21/22 ARPA-WA-021-012 CFDA 93.568	Weatherization Low-Income Home Energy Assist 22/23 WL-023-012 CFDA 93.568
Salaries and fringe	\$ 23,683	\$ 17,499	\$ 29,671	\$ -	\$ 54,967	\$ 17,149
Mileage, per diem, lodging and travel	3,269	-	-	-	-	-
Training, registrations, and conferences	-	-	-	-	-	-
Space costs, repairs, and maintenance	408	1,840	3,680	-	2,784	920
Vehicle operation expense	1,501	9	899	-	2,923	1,486
Furniture, equipment, vehicle purchases	-	-	1,274	-	-	-
Bank fees and interest expense	-	-	-	-	-	-
Info technology, computer & software costs	-	44	122	-	-	39
Contracted services	-	-	-	-	67	-
Program supplies & printing	440	-	6,422	-	13,712	-
Telephone, cable, & internet	608	479	1,199	-	1,577	607
Postage	-	24	11	-	14	452
Copier costs	-	-	3	-	-	35
Client/employee assistance and services	-	-	-	-	-	-
Dues, subscriptions, and entertainment	400	-	731	73	415	88
Subcontracted services	115,234	42,141	124,287	32,195	105,452	9,887
Public information & events	37	-	-	-	-	-
Insurance	2,056	1,668	2,500	-	3,000	900
Legal/filing/consulting fees	-	-	-	-	-	-
Audit and tax preparation	3,509	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Administration (agency)	9,900	1,400	13,395	-	16,015	-
Allocated IT dept costs	-	3,169	7,301	-	6,929	3,081
	<u>\$ 161,045</u>	<u>\$ 68,273</u>	<u>\$ 191,495</u>	<u>\$ 32,268</u>	<u>\$ 207,855</u>	<u>\$ 34,644</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

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

	Low-Income Home Energy Assistance/ Leveraging 21/22 LI-022-012 CFDA 93.568	Low-Income Home Energy Assistance/ Leveraging (ARPA) 21/22 LI-ARPA-021-012 CFDA 93.568	Low-Income Home Energy Assistance/ Leveraging (IIJA) 22/23 LI-IIJA-022-012 CFDA 93.568	Low-Income Home Energy Assistance/ Leveraging 22/23 LI-023-012 CFDA 93.568	Low-Income Home Water Assistance (ARPA) 2021-23 WAT-ARPA-022-012 CFDA 93.568	Section 8 Housing Choice Vouchers 2022 CFDA 14.871
Salaries and fringe	\$ 73,656	\$ 109,407	\$ -	\$ 60,170	\$ -	\$ 102,312
Mileage, per diem, lodging and travel	2,013	1,002	-	458	-	4,957
Training, registrations, and conferences	701	-	-	-	-	-
Space costs, repairs, and maintenance	5,367	9,811	-	4,040	-	5,109
Vehicle operation expense	79	146	-	71	-	-
Furniture, equipment, vehicle purchases	330	-	-	-	-	150
Bank fees and interest expense	-	-	-	298	-	-
Info technology, computer & software costs	149	242	-	129	-	5,449
Contracted services	-	-	-	-	-	7,776
Program supplies & printing	60,834	3,106	-	2,719	-	2,129
Telephone, cable, & internet	2,481	5,294	-	2,147	-	3,671
Postage	6,429	289	-	10	-	4,928
Copier costs	285	32	-	88	-	2,377
Client/employee assistance and services	2,771,182	445,085	21,129	985,446	36,788	1,459,178
Dues, subscriptions, and entertainment	355	-	-	-	-	95
Subcontracted services	25,669	-	-	-	-	-
Public information & events	-	-	-	-	-	-
Insurance	2,537	3,879	-	3,021	-	2,479
Legal/filing/consulting fees	-	-	-	-	-	-
Audit and tax preparation	7,000	-	-	3,352	-	94
Depreciation	1,799	1,531	-	666	-	-
Administration (agency)	15,582	26,078	-	8,332	2,400	26,004
Allocated IT dept costs	8,082	16,277	-	9,383	-	7,230
	<u>\$ 2,984,530</u>	<u>\$ 622,179</u>	<u>\$ 21,129</u>	<u>\$ 1,080,330</u>	<u>\$ 39,188</u>	<u>\$ 1,633,938</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022**

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

	Home Investment Partnership CHDO Grant CFDA 14.239	Community Services Block Grant CS-021-012 CS-022-012 CFDA 93.569	Community Services Block Grant Prof. Dev. CS-CV-022-012-D CFDA 93.569	Community Services Block Grant Trans. 21/22 CS-CV-021-012-D CFDA 93.569	Community Services Block Grant Trans. 22/23 CS-022-012-D CFDA 93.569	Weatherization Duke Health & Safety CFDA N/A	IHCDA Community Svcs Totals
Salaries and fringe	\$ 41,682	\$ 298,708	\$ -	\$ 5,501	\$ -	\$ -	\$ 834,405
Mileage, per diem, lodging and travel	-	-	562	-	-	-	12,261
Training, registrations, and conferences	-	-	4,250	-	-	-	4,951
Space costs, repairs, and maintenance	-	10,369	-	-	-	1,840	46,168
Vehicle operation expense	-	1,772	-	5,333	-	-	14,219
Furniture, equipment, vehicle purchases	-	-	-	-	-	-	1,754
Bank fees and interest expense	-	-	-	-	-	-	298
Info technology, computer & software costs	-	526	-	659	-	-	7,359
Contracted services	-	-	-	-	-	-	7,843
Program supplies & printing	-	2	-	-	-	-	89,364
Telephone, cable, & internet	-	1,241	-	-	-	-	19,304
Postage	-	1	-	15	-	-	12,173
Copier costs	-	-	-	421	-	-	3,241
Client/employee assistance and services	-	-	-	21,058	3,900	-	5,743,766
Dues, subscriptions, and entertainment	-	179	-	-	-	-	2,336
Subcontracted services	-	-	-	-	-	21,857	476,722
Public information & events	-	-	-	-	-	-	37
Insurance	-	2,192	-	902	-	-	25,134
Legal/filing/consulting fees	-	-	811	-	-	-	811
Audit and tax preparation	-	1,153	-	-	-	-	15,108
Depreciation	-	-	-	-	-	-	3,996
Administration (agency)	-	-	-	8,338	-	-	127,444
Allocated IT dept costs	-	14,461	-	1,794	-	589	78,296
	<u>\$ 41,682</u>	<u>\$ 330,604</u>	<u>\$ 5,623</u>	<u>\$ 44,021</u>	<u>\$ 3,900</u>	<u>\$ 24,286</u>	<u>\$ 7,526,990</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

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

	Orange Co. CDBG - OOR 2020-22 HD-019-003 CFDA 14.228	Wash Co. CDBG - OOR 2020-22 HD-019-003 CFDA 14.228	I.H.C.D.A. Housing Acquisition and Rehab Totals
Salaries and fringe	\$ 10,410	\$ 11,174	\$ 21,584
Mileage, per diem, lodging and travel	280	73	353
Program supplies & printing	15	-	15
Postage	99	17	116
Subcontracted services	181,764	75,327	257,091
	<u>\$ 192,568</u>	<u>\$ 86,591</u>	<u>\$ 279,159</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through Indiana State Department of Health via Indiana University:

	Indiana Area Health Education Centers (State) 22/23 CFDA N/A	Indiana Area Health Education Centers (State) 21/22 CFDA N/A	Indiana Area Health Education Centers (Fed) 22/23 CFDA 93.107	Indiana Area Health Education Centers (Fed) 21/22 CFDA 93.107	Indiana Area Health Education Centers Totals
Salaries and fringe	\$ 69,891	\$ 87,904	\$ 8,786	\$ 23,133	\$ 189,714
Mileage, per diem, lodging and travel	499	(356)	1,604	360	2,107
Training, registrations, and conferences	-	1,230	1,675	1,230	4,135
Space costs, repairs, and maintenance	1,459	2,477	12	2,406	6,354
Vehicle operation expense	136	15	-	313	464
Furniture, equipment, vehicle purchases	838	-	-	1,508	2,346
Info technology, computer & software costs	601	306	-	76	983
Contracted services	11,805	10,324	150	450	22,729
Program supplies & printing	88	1,998	290	903	3,279
Telephone, cable, & internet	1,943	170	200	2,022	4,335
Postage	21	94	-	137	252
Copier costs	62	148	-	64	274
Client/employee assistance and services	5,769	10,212	12,255	25,761	53,997
Dues, subscriptions, and entertainment	361	160	-	866	1,387
Public information & events	-	-	125	3	128
Insurance	1,706	-	-	193	1,899
Audit and tax Preparation	613	498	1,200	-	2,311
Administration (agency)	6,504	(707)	-	1,233	7,030
Allocated IT dept costs	-	(2,000)	-	966	(1,034)
	<u>\$ 102,296</u>	<u>\$ 112,473</u>	<u>\$ 26,297</u>	<u>\$ 61,624</u>	<u>\$ 302,690</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through the Indiana State Department of Health:

	Abstinence Education 21/22 CFDA 93.235	Abstinence Education 22/23 CFDA 93.235	Bright Futures 22/23 CFDA 93.994	Bright Futures 21/22 CFDA 93.994	T.B. Prevention 2022 CFDA 93.116
Salaries and fringe	\$ 61,542	\$ 18,787	\$ 11,450	\$ 50,248	\$ 232,691
Mileage, per diem, lodging and travel	2,775	1,916	852	2,096	11,316
Training, registrations, and conferences	160	90	70	55	17,231
Space costs, repairs, and maintenance	1,578	104	52	1,448	-
Vehicle operation expense	-	84	42	-	281
Furniture, equipment, vehicle purchases	-	247	-	-	-
Bank fees and interest expense	-	-	-	-	35
Food and kitchen	299	-	-	-	-
Info technology, computer & software costs	82	41	25	96	250
Program supplies & printing	11,609	709	1,000	1,467	264
Telephone, cable, & internet	519	292	178	691	-
Postage	-	-	-	8	120
Copier costs	2,107	1,357	53	187	47
Client/employee assistance and services	561	-	1,634	4,359	28,949
Dues, subscriptions, and entertainment	-	-	-	-	-
Public information & events	465	-	-	289	-
Insurance	3,211	70	-	-	115
Audit and tax preparation	-	-	-	-	1,500
Administration (agency)	3,950	900	750	2,250	6,000
	<u>\$ 88,858</u>	<u>\$ 24,597</u>	<u>\$ 16,106</u>	<u>\$ 63,194</u>	<u>\$ 298,799</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022**

Funded through the Indiana State Department of Health:

	Martin Co. WIC & P.C. 22/23 CFDA 10.557	Martin Co. WIC & P.C. 21/22 CFDA 10.557	Teen Pregnancy Prevention 22/23 CFDA 93.297	Teen Pregnancy Prevention 21/22 CFDA 93.297	I.S.D.H. Totals
Salaries and fringe	\$ 20,415	\$ 65,392	\$ 73,696	\$ 54,739	\$ 588,960
Mileage, per diem, lodging and travel	-	354	4,776	436	24,521
Training, registrations, and conferences	-	-	240	105	17,951
Space costs, repairs, and maintenance	1,389	4,777	1,210	596	11,154
Vehicle operation expense	-	-	-	315	722
Furniture, equipment, vehicle purchases	-	-	247	2,231	2,725
Bank fees and interest expense	-	-	-	-	35
Food and kitchen	-	-	196	62	557
Info technology, computer & software costs	38	115	78	215	940
Program supplies & printing	-	1,055	7,161	25,409	48,674
Telephone, cable, & internet	624	2,427	1,167	460	6,358
Postage	245	36	141	137	687
Copier costs	18	295	-	1	4,065
Client/employee assistance and services	-	-	1,595	1,703	38,801
Dues, subscriptions, and entertainment	-	-	42	-	42
Public information & events	-	-	133	2,258	3,145
Insurance	-	-	375	-	3,771
Audit and tax preparation	-	-	1,042	-	2,542
Administration (agency)	824	4,120	3,498	3,498	25,790
	<u>\$ 23,553</u>	<u>\$ 78,571</u>	<u>\$ 95,597</u>	<u>\$ 92,165</u>	<u>\$ 781,440</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022**

Funded through the Indiana Department of Education:

	Child and Adult Food and Nutrition 22/23 CFDA 10.558	Child and Adult Food and Nutrition 21/22 CFDA 10.558	Student Learning Recovery Grant CFDA 84.425U	21st Century Learning Cohort 11, Y1 22/23 CFDA 84.287C	21st Century Learning Cohort 10, Y2 22/23 CFDA 84.287C	21st Century Learning Cohort 10, Y1 21/22 CFDA 84.287C	21st Century Learning Cohort 9, Y4 21/22 CFDA 84.287C	Indiana Dept of Education Totals
Salaries and fringe	\$ -	\$ -	\$ 44,427	\$ 124,905	\$ 87,427	\$ 65,757	\$ 122,384	\$ 444,900
Mileage, per diem, lodging and travel	28	774	508	4,395	1,991	2,264	694	10,654
Training, registrations, and conferences	-	-	95	1,218	1,218	-	200	2,731
Space costs, repairs, and maintenance	9,553	6,707	-	1,393	1,207	3,050	778	22,688
Vehicle operation expense	-	-	161	6	67	149	202	585
Furniture, equipment, vehicle purchases	8,961	-	-	-	117	-	-	9,078
Food and kitchen	30,063	115,271	-	-	-	-	-	145,334
Info technology, computer & software costs	23	68	-	700	659	376	464	2,290
Contracted services	-	-	-	18,400	5,300	3,444	20,500	47,644
Program supplies & printing	76	835	24,538	5,923	3,387	-	6,453	41,212
Telephone, cable, & internet	-	-	-	1,952	2,336	1,190	1,232	6,710
Postage	8	24	-	241	119	163	331	886
Copier costs	-	-	-	2,079	1,017	1,151	2,336	6,583
Dues, subscriptions, and entertainment	-	-	15	1,196	105	123	60	1,499
Public information & events	-	-	1,927	-	192	-	1,674	3,793
Inter Co support	2,590	(2,260)	-	-	-	-	-	330
Insurance	-	-	-	4,520	1,365	243	707	6,835
Audit and tax preparation	-	-	-	1,229	1,629	-	-	2,858
Administration (agency)	-	-	-	8,250	4,122	2,926	5,729	21,027
Allocated IT dept costs	-	-	-	6,238	-	-	5,813	12,051
	<u>\$ 51,302</u>	<u>\$ 121,419</u>	<u>\$ 71,671</u>	<u>\$ 182,645</u>	<u>\$ 112,258</u>	<u>\$ 80,836</u>	<u>\$ 169,557</u>	<u>\$ 789,688</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through Purdue University:

	AgVets 22/23 CFDA 10.334	AgVets 21/22 CFDA 10.334	Purdue University Totals
Salaries and fringe	\$ -	\$ 31,061	\$ 31,061
Mileage, per diem, lodging and travel	687	10,941	11,628
Training, registrations, and conferences	500	8,093	8,593
Vehicle operation expense	-	158	158
Info technology, computer & software costs	-	90	90
Contracted services	-	23,482	23,482
Program supplies & printing	29	843	872
Postage	-	52	52
Copier costs	-	216	216
Client/employee assistance and services	661	20,028	20,689
Public information & events	-	227	227
Insurance	-	115	115
Audit and tax preparation	1,850	-	1,850
Administration (agency)	-	7,767	7,767
	<u>\$ 3,727</u>	<u>\$ 103,073</u>	<u>\$ 106,800</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through Indiana Department of Insurance:

	State Health Insurance Assistance (SHIP) <u>CFDA 93.324</u>
Salaries and fringe	\$ 5,376
Mileage, per diem, lodging and travel	619
Postage	4
Public information & events	<u>7,093</u>
	<u>\$ 13,092</u>

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

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

	Daviess County Tobacco Prevention 22/23 CFDA N/A	Daviess County Tobacco Prevention 21/22 CFDA N/A	Lawrence County Tobacco Prevention 22/23 CFDA N/A	Lawrence County Tobacco Prevention 21/22 CFDA N/A	Knox County Tobacco Prevention 22/23 CFDA N/A	Knox County Tobacco Prevention 21/22 CFDA N/A	Tobacco Prevention and Cessation Totals
Salaries and fringe	\$ 24,220	\$ 21,220	\$ 13,237	\$ 18,619	\$ 22,230	\$ 28,411	\$ 127,937
Mileage, per diem, lodging and travel	1,594	601	639	-	885	306	4,025
Training, registrations, and conferences	524	-	164	-	205	140	1,033
Info technology, computer & software costs	197	34	24	31	199	34	519
Program supplies & printing	83	764	212	-	600	3,322	4,981
Telephone, cable, & internet	-	-	200	240	60	50	550
Postage	2	7	1	-	3	9	22
Copier costs	10	10	4	8	-	-	32
Dues, subscriptions, and entertainment	-	280	-	-	-	242	522
Public information & events	15	780	1,265	-	14	4,212	6,286
Insurance	44	44	44	44	45	45	266
Audit and tax preparation	252	252	252	252	252	252	1,512
Administration (agency)	750	750	750	750	750	750	4,500
	<u>\$ 27,691</u>	<u>\$ 24,742</u>	<u>\$ 16,792</u>	<u>\$ 19,944</u>	<u>\$ 25,243</u>	<u>\$ 37,773</u>	<u>\$ 152,185</u>

See independent auditor's report.

Program C - Healthcare Division

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Healthcare Division:

	Home Healthcare and Hospice	Serenity Now Psychiatric and Counseling Svcs	Medicaid Waiver Case Mgt and Svcs	Healthcare Division Totals
Salaries and fringe	\$ 2,158,319	\$ 1,218,185	\$ 168,561	\$ 3,545,065
Mileage, per diem, lodging and travel	205,836	3,986	12,033	221,855
Training, registrations, and conferences	1,108	800	-	1,908
Space costs, repairs, and maintenance	46,238	66,440	1,715	114,393
Vehicle operation expense	455	-	86	541
Furniture, equipment, vehicle purchases	-	480	-	480
Bank fees and interest expense	-	5,361	-	5,361
Info technology, computer & software costs	32,207	130,345	358	162,910
Contracted services	23,828	-	-	23,828
Program supplies & printing	31,827	4,657	-	36,484
Telephone, cable, & internet	24,104	19,314	1,294	44,712
Postage	6,413	2,273	534	9,220
Copier costs	11,914	2,503	89	14,506
Client/employee assistance and services	365,915	-	143,740	509,655
Dues, subscriptions, and entertainment	37,557	2,162	257	39,976
Public information & events	42,833	498	216	43,547
Insurance	40,903	16,399	5,376	62,678
Audit and tax preparation	22,539	-	-	22,539
Administration (agency)	196,000	-	64,400	260,400
Allocated case management	-	-	751,321	751,321
Allocated IT dept costs	24,718	-	4,520	29,238
	<u>\$ 3,272,714</u>	<u>\$ 1,473,403</u>	<u>\$ 1,154,500</u>	<u>\$ 5,900,617</u>

See independent auditor's report.

Program D - General

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Functional Expenses by Funding Source (Continued)
For the Year Ending December 31, 2022

Funded through local agreements, donations and fundraisers

Salaries and fringe	\$ 1,344,162
Mileage, per diem, lodging and travel	34,328
Training, registrations, and conferences	3,919
Space costs, repairs, and maintenance	(641,246)
Vehicle operation expense	7,666
Furniture, equipment, vehicle purchases	15,807
Bank fees and interest expense	21,846
Developer fees/payments	(174,788)
Food and kitchen	74,024
Management fees	7,988
Info technology, computer & software costs	31,693
Contracted services	901
Program supplies & printing	16,889
Property taxes paid	(971)
Telephone, cable, & internet	43,851
Postage	22,577
Copier costs	20,416
Client/employee assistance and services	126,254
Donations, grants, and scholarships	397,116
Dues, subscriptions, and entertainment	35,683
Subcontracted services	56,718
Public information & events	67,102
Community development & improvement	125,578
Inter Co support	(32,722)
Insurance	111,167
Legal/filing/consulting fees	32,456
Audit and tax preparation	10,198
Depreciation	274,367
Administration (agency)	(794,697)
Allocated IT dept costs	(164,644)
Allocated common costs	(103,131)
	\$ 970,507
	\$ 970,507

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Partnership Revenues and Expenses
Year Ended December 31, 2022

	Aspen Meadows, L.P.	Bedford Apartments, L.P.	Lost River Place, L.P.	Spring Town Apartments	Stonecutters Place Apartments, L.P.	Pioneer Creek Apartments, L.P.	New Horizon Apartments
Revenue							
Net rental income	\$ 263,590	\$ 380,607	\$ 129,285	\$ 103,405	\$ 165,057	\$ 180,701	\$ 215,553
Interest income	-	125	-	-	-	63	545
Other income	-	-	-	-	5,651	-	703,062
	<u>263,590</u>	<u>380,732</u>	<u>129,285</u>	<u>103,405</u>	<u>170,708</u>	<u>180,764</u>	<u>919,160</u>
Expenses							
Administration expenses	121,262	76,382	42,126	46,186	67,131	46,840	92,150
Utilities	30,413	37,004	33,668	24,758	22,514	19,839	42,758
Operating and maintenance	50,768	77,695	38,078	50,282	53,950	48,454	819,793
Taxes and insurance	39,757	50,036	32,647	18,163	45,321	23,266	71,130
Interest expense	117,479	26,125	74,696	44,645	15,450	5,096	28,066
Depreciation and amortization	55,919	94,683	17,032	24,835	158,208	53,431	52,078
	<u>415,598</u>	<u>361,925</u>	<u>238,247</u>	<u>208,869</u>	<u>362,574</u>	<u>196,926</u>	<u>1,105,975</u>
Subtotal revenue over (under) expenses	(152,008)	18,807	(108,962)	(105,464)	(191,866)	(16,162)	(186,815)
Less elimination	<u>135,877</u>	<u>22,736</u>	<u>81,047</u>	<u>48,666</u>	<u>27,034</u>	<u>12,653</u>	<u>32,541</u>
Revenue over (under) expenses	<u>\$ (16,131)</u>	<u>\$ 41,543</u>	<u>\$ (27,915)</u>	<u>\$ (56,798)</u>	<u>\$ (164,832)</u>	<u>\$ (3,509)</u>	<u>\$ (154,274)</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Partnership Revenues and Expenses (Continued)
Year Ended December 31, 2022

	<u>Stalker Apartments, L.P.</u>	<u>Taylor Apartments</u>	<u>Hoosier Uplands Lost River II</u>	<u>Hoosier Uplands College Hill</u>	<u>Phoenix Project</u>	<u>Persimmon Park Apartments</u>	<u>Total</u>
Revenue							
Net rental income	\$ 99,412	\$ 82,000	\$ 98,130	\$ 134,676	\$ 80,831	\$ 317,266	\$ 2,250,513
Interest income	-	50	34	166	-	31,966	32,949
Other income	53	432	-	-	15,332	-	724,530
	<u>99,465</u>	<u>82,482</u>	<u>98,164</u>	<u>134,842</u>	<u>96,163</u>	<u>349,232</u>	<u>3,007,992</u>
Expenses							
Administration expenses	49,531	43,676	33,518	46,847	51,257	124,147	841,053
Utilities	15,213	9,640	18,013	37,577	14,423	31,658	337,478
Operating and maintenance	16,987	27,808	24,925	46,072	23,299	254,308	1,532,419
Taxes and insurance	31,700	8,446	8,629	28,597	11,522	29,736	398,950
Interest expense	13,600	3,587	-	-	-	39,976	368,720
Depreciation and amortization	65,916	13,669	33,480	87,133	71,490	96,656	824,530
	<u>192,947</u>	<u>106,826</u>	<u>118,565</u>	<u>246,226</u>	<u>171,991</u>	<u>576,481</u>	<u>4,303,150</u>
Subtotal revenue over (under) expenses	(93,482)	(24,344)	(20,401)	(111,384)	(75,828)	(227,249)	(1,295,158)
Less elimination	<u>9,667</u>	<u>11,859</u>	<u>6,534</u>	<u>7,582</u>	<u>6,651</u>	<u>40,007</u>	<u>442,854</u>
Revenue over (under) expenses	<u>\$ (83,815)</u>	<u>\$ (12,485)</u>	<u>\$ (13,867)</u>	<u>\$ (103,802)</u>	<u>\$ (69,177)</u>	<u>\$ (187,242)</u>	<u>\$ (852,304)</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Expenditures of Federal Awards and Notes
Year Ended December 31, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
<u>Directly from Department of Health and Human Services:</u>			
Head Start	93.600	05CH011475	\$ 3,535,529
Head Start (ARP/CRRSA)	93.600	05HE000996	<u>290,434</u>
Total directly received from the Department of Health and Human Services			3,825,963
<u>Passed through Indiana State Department of Health:</u>			
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	#040534/#063177	113,455
Maternal and Child Health Services Block Grant to the States	93.994	#056932	79,300
Teen Pregnancy Prevention Program	93.297	#049083	187,762
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	#049573	<u>298,799</u>
Total passed through the Indiana State Department of Health			679,316
<u>Passed through Indiana State Department of Insurance:</u>			
State Health Insurance Assistance Program	93.324	#017896	<u>13,092</u>
Total passed through the Indiana State Department of Insurance			13,092
<u>Passed through Indiana Housing and Community Dev. Authority:</u>			
477 Cluster			
Community Services Block Grant	93.569	CS-022-012	275,470
Community Services Block Grant (carryover)	93.569	CS-021-012	55,134
Community Services Block Grant - Training Grant	93.569	CS-CV-022-012-D	5,623
Community Services Block Grant - Transportation Grant	93.569	CS-CV-021-012-D	44,021
Community Services Block Grant - Transportation Grant	93.569	CS-022-012-D	3,900
Cluster total			384,148

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Expenditures of Federal Awards and Notes (Continued)
Year Ended December 31, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
<u>Passed through Indiana Housing and Community Dev. Authority (Continued):</u>			
Low-Income Home Energy Assistance (ARPA Grant)	93.568	LI-ARPA-021-012	\$ 622,179
Low-Income Home Energy Assistance (IIJA Grant)	93.568	LI-IIJA-022-012	21,129
	93.568	LI-022-012	
Low-Income Home Energy Assistance		LI-023-012	4,064,860
		WL-022-012	
	93.568	WL-022-012-C	
Low-Income Home Energy Assistance		WL-023-012	258,407
Low-Income Home Energy Assistance (ARPA Grant)	93.568	ARPA-WA-021-012	207,855
		WAT-022-012	
Low-Income Home Energy Assistance (ARPA Grant)	93.568	WAT-ARPA-022-012	<u>39,188</u>
Total passed through the Indiana Housing and Community Development Authority			5,597,766

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Expenditures of Federal Awards and Notes (Continued)
Year Ended December 31, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
<u>Passed through Indiana Family and Social Services Administration:</u>			
Aging Cluster			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers - Admin	93.044	#059601/069838	\$ 57,055
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers - Services	93.044	#059601/069838/049780	83,446
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	#059438	4,909
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	#063256	1,664
Special Programs for the Aging, Title III, Part C, Nutrition Services Congregate Meals	93.045	#059601/049780	182,459
Special Programs for the Aging, Title III, Part C, Nutrition Services Home Delivered Meals	93.045	#059601/069838/049780	250,323
Nutrition Services Incentive Program	93.053	#059601	<u>23,550</u>
			<u>603,406</u>
National Family Caregiver Support, Title III, Part E	93.052	#059601/069838	3,179
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	#059601/069838	791
Social Services Block Grant	93.667	#059601/069838	118,223
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	#042922	10,640
Block Grants for Prevention and Treatment of Substance Abuse	93.959	#044198/#059777	<u>294,548</u>
			<u>427,381</u>
Total passed through the Indiana Family and Social Services Administration			1,030,787
<u>Passed through Indiana University:</u>			
Area Health Education Centers	93.107	PO0579563	<u>87,921</u>
Total passed through Indiana University			<u>87,921</u>
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 11,234,845</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Expenditures of Federal Awards and Notes (Continued)
Year Ended December 31, 2022**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
<u>Passed through Indiana State Department of Health:</u>			
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	#057570 / #065360	\$ 102,124
Total passed through the Indiana State Department of Health			102,124
<u>Passed through Indiana State Department of Education:</u>			
Child and Adult Food and Nutrition Program (CACFP)	10.558	47-1470092	172,721
Total passed through the Indiana State Department of Education			172,721
<u>Passed through Purdue University:</u>			
Enhancing Agricultural Opportunities for Military Veterans Competitive Grants Program	10.334	2019-77028-29971	106,800
Total passed through Purdue University			106,800
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF AGRICULTURE			\$ 381,645
<u>U.S. Department of Housing and Urban Development</u>			
<u>Directly from Department of Housing and Urban Development:</u>			
Housing Counseling Assistance Program	14.169	HC200421024 HC220421042	\$ 29,951
Total directly received from the U.S. Department of Housing and Urban Development			29,951
<u>Passed through Indiana Housing and Community Dev. Authority:</u>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CDBG-OOR)	14.228	HD-019-003	\$ 279,159
Home Investment Partnerships Program	14.239	CH-019-004	697,088
Home Investment Partnerships Program	14.239	CO-019-002 CO-019-011	41,682
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	HCV-2022-08	1,633,938
Cluster total			1,633,938
Total passed through the Indiana Housing and Community Development Authority			2,651,867
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 2,681,818

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Expenditures of Federal Awards and Notes (Continued)
Year Ended December 31, 2022**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Energy</u>			
<u>Passed through Indiana Housing and Community Dev. Authority:</u>			
Weatherization Assistance for Low-Income Persons	81.042	WX-021-012 WX-022-012	\$ 229,318
Total passed through the Indiana Housing and Community Development Authority			<u>229,318</u>
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF ENERGY			<u>\$ 229,318</u>
<u>U.S. Department of Education</u>			
<u>Passed through Indiana State Department of Education:</u>			
Twenty-First Century Learning Centers	84.287	S287C190014	\$ 545,296
Education Stabilization Fund	84.425	S287C220014 #0611099	<u>71,671</u>
Total passed through the Indiana State Department of Education			<u>616,967</u>
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF EDUCATION			<u>\$ 616,967</u>
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			<u>\$ 15,144,593</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Expenditures of Federal Awards and Notes (Continued)
Year Ended December 31, 2022**

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of HUEDC under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of HUEDC, it is not intended to and does not present the financial position, changes in net assets or cash flows of HUEDC.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein some types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. HUEDC does not use the 10% de minimis indirect rate allowed in the Uniform Guidance, Section 414.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Hoosier Uplands Economic Development Corporation and Affiliates

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of Hoosier Uplands Economic Development Corporation and Affiliates which comprise the combined statement of financial position as of December 31, 2022 and the related combined statement of activities and cash flows for the year then ended, and the related notes to the combined financial statements and have issued our report thereon dated August 8, 2023. Our report includes a reference to other auditors who audited the financial statements of various partnerships, as described in our report on Hoosier Uplands Economic Development Corporation and Affiliates' combined financial statements. The financial statements of those partnerships were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Hoosier Uplands Economic Development Corporation and Affiliates' internal control over financial reporting ("internal control") as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hoosier Uplands Economic Development Corporation and Affiliates internal control. Accordingly, we do not express an opinion on the effectiveness of Hoosier Uplands Economic Development Corporation and Affiliates' internal control.

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

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

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hoosier Uplands Economic Development Corporation and Affiliates' combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Jeffersonville, Indiana
August 8, 2023



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Board of Directors
Hoosier Uplands Economic Development Corporation and Affiliates

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hoosier Uplands Economic Development Corporation and Affiliates' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hoosier Uplands Economic Development Corporation and Affiliates' major federal programs for the year ended December 31, 2022. Hoosier Uplands Economic Development Corporation and Affiliates' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hoosier Uplands Economic Development Corporation and Affiliates complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hoosier Uplands Economic Development Corporation and Affiliates and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hoosier Uplands Economic Development Corporation and Affiliates' compliance with the compliance requirements referred to above.

**Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Hoosier Uplands Economic Development Corporation and Affiliates' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hoosier Uplands Economic Development Corporation and Affiliates' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hoosier Uplands Economic Development Corporation and Affiliates' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hoosier Uplands Economic Development Corporation and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Hoosier Uplands Economic Development Corporation and Affiliates' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Hoosier Uplands Economic Development Corporation and Affiliates' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)**

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Jeffersonville, Indiana
August 8, 2023

**Hoosier Uplands Economic Development Corporation and Affiliates
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	<u> X </u> none reported

Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ yes	<u> X </u> no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
93.568	Low-Income Home Energy Assistance	\$ 5,597,766

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as a low risk auditee?	<u> X </u> yes	_____ no

Section II - Financial Statement Findings

None

Section III - Major Federal Award Programs Audit Findings

None

**Hoosier Uplands Economic Development Corporation and Affiliates
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2022**

None.

**Hoosier Uplands Economic Development Corporation and Affiliates
Exit Conference
Year Ended December 31, 2022**

Mitchell, Indiana

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, Chief Executive Officer

Eric Zink, Chief Financial Officer

Representative of MCM CPAs & Advisors LLP

John Hill, Partner

Lee Ann Watters, Principal

The following matters were discussed at the exit conference:

- A. The format and content of the audit report draft.
- B. Hoosier Uplands Economic Development Corporation's review and approval of the audit report.