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September 20, 2019

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

We have reviewed the audit report prepared by MCM CPAs & Advisors, LLP, for the period January 1, 2018 to December 31, 2018. Per the *Independent Auditor's Report* opinion, the financial statements included in the report present fairly the financial condition of Hoosier Uplands Economic Development Corporation, as of December 31, 2018, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, the audit report was prepared 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**Hoosier Uplands Economic Development Corporation
and Affiliates**

**Report on Audit of
Combined Financial Statements**

Year Ended December 31, 2018

Hoosier Uplands Economic Development Corporation and Affiliates

Table of Contents
Year Ended December 31, 2018

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Combined Statement of Financial Position.....	3
Combined Statement of Activities	4
Combined Statement of Cash Flows.....	5
Notes to Combined Financial Statements	6 - 18
Supplementary Information	
Recap of Natural Expenses by Funding Source.....	19
Program A - Federal Programs	20 - 21
Program B - State Programs	22 - 41
Program C - Healthcare Division.....	42
Program D - General.....	43
Schedule of Partnership Revenues and Expenses	44
Schedule of Expenditures of Federal Awards and Notes.....	45 - 47
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>	48 - 49
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	50 - 51
Schedule of Findings and Questioned Costs.....	52
Summary Schedule of Prior Audit Findings	53
Exit Conference	54



Independent Auditor's Report

Board of Directors
Hoosier Uplands Economic Development Corporation and Affiliates

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Hoosier Uplands Economic Development Corporation and Affiliates (the "Entity"), which comprise the combined statement of financial position as of December 31, 2018, and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We did not audit the financial statements of various partnerships (specifically Lost River Place L.P., Spring Town Apartments L.P., Stalker Apartments L.P., and Stonecutters Place L.P., collectively the "various partnerships") whose statements reflect total assets constituting approximately 20.73% of combined total assets at December 31, 2018, and total revenues constituting approximately 1.71% 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. We conducted our audit of the Entity in accordance with auditing standards generally accepted in the United States of America, and for Hoosier Uplands Economic Development Corporation we additionally conducted our audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditor's Report (Continued)

Opinion

In our opinion, based on our audit and the reports of other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of Hoosier Uplands Economic Development Corporation and Affiliates as of December 31, 2018, and the changes in their combined net assets and their combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note B (1), Hoosier Uplands Economic Development Corporation and Affiliates has adopted Financial Accounting Standards Update 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements for Not for Profit Entities*. Our opinion is not modified with respect to this matter.

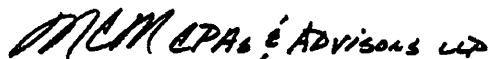
Other Matters

Other 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 of Hoosier Uplands Economic Development Corporation 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 19 through 44 is also presented for purposes of additional analysis and is not a required part of the combined financial statements of Hoosier Uplands Economic Development Corporation and Affiliates. 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 5, 2019, on our consideration of Hoosier Uplands Economic Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hoosier Uplands Economic Development Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hoosier Uplands Economic Development Corporation's internal control over financial reporting and compliance.



Jeffersonville, Indiana
August 5, 2019

Hoosier Uplands Economic Development Corporation and Affiliates
Combined Statement of Financial Position
December 31, 2018

Assets

Current Assets

Cash and cash equivalents	\$ 1,125,257
Certificates of deposit	375,000
Investments	8,226,030
Restricted deposits	958,835
Grants receivable	1,097,179
Patient receivables, net	959,139
Accounts receivable	44,869
Other receivables	32,514
Other assets	<u>200,290</u>

Total Current Assets 13,019,113

Property and Equipment, net	44,302,685
Note Receivable	6,709,309
Other Assets	<u>22,810</u>

Total Assets \$ 64,053,917

Liabilities and Net Assets

Current Liabilities

Current maturities of long-term debt	\$ 6,065,947
Accounts payable	464,810
Other liabilities	<u>1,426,284</u>

Total Current Liabilities 7,957,041

Long-term Debt, net of current maturities and unamortized debt issuance costs	<u>14,451,032</u>
--	-------------------

Total Liabilities 22,408,073

Net Assets Without Donor Restrictions 41,645,844

Total Liabilities and Net Assets \$ 64,053,917

See accompanying notes.

**Hoosier Uplands Economic Development Corporation and Affiliates
 Combined Statement of Activities
 Year Ended December 31, 2018**

Revenues and Other Support	
Contract and program revenue	\$ 14,866,461
Healthcare revenue, net of contractual adjustments	5,147,687
Miscellaneous revenue	490,013
In-kind revenue	1,332,166
Investment income	66
Rental income	<u>2,228,556</u>
Total Revenues and Other Support	24,064,949
Expenses	
Program A - Federal Programs	
U.S. Department of Health and Human Services - Direct	4,280,060
U.S. Department of Housing and Urban Development	15,419
Program B - State Programs	
Indiana Family and Social Services Administration - Aging Division	1,825,486
Indiana Housing and Community Development Authority - Community Division	5,798,498
Indiana State Department of Health via Indiana University	283,195
Indiana State Department of Health	391,413
Indiana Department of Education	607,655
Purdue University	50,350
Indiana Department of Insurance	6,760
Indiana Criminal Justice Institute	5,946
Indiana Tobacco Prevention and Cessation	141,495
Program C - Healthcare Division	
Healthcare programs	5,296,604
Program D - General	
General	1,095,446
Various partnerships	<u>3,307,256</u>
Total Expenses	<u>23,105,583</u>
Change in Net Assets	959,366
Net Assets, beginning of year	40,704,686
Partner Capital Contributions	500
Distributions	<u>(18,708)</u>
Net Assets, end of year	<u><u>\$ 41,645,844</u></u>

See accompanying notes.

**Hoosier Uplands Economic Development Corporation and Affiliates
 Combined Statement of Cash Flows
 Year Ended December 31, 2018**

Cash Flows from Operating Activities	
Change in net assets	\$ 959,366
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,485,856
Amortization of debt issuance costs	42,560
Realized and unrealized loss on investments, net	371,432
Loss on disposition of property and equipment	3,649
Gain on forgiveness of debt	(118,415)
(Increase) decrease in	
Grants receivable	(211,456)
Patient receivables	(64,749)
Accounts receivable	(12,166)
Other receivables	180
Other assets	44,111
Increase (decrease) in	
Accounts payable	(19,579)
Other liabilities	<u>68,249</u>
Net Cash Provided by Operating Activities	2,549,038
Cash Flows from Investing Activities	
Purchase of property and equipment	(2,722,920)
Proceeds from sale of property and equipment	3,000
Withdrawals from restricted deposits, net	603
Purchases of investments	(2,465,073)
Redemption of certificates of deposit	366,084
Proceeds from sale of investments	<u>2,611,285</u>
Net Cash Used in Investing Activities	(2,207,021)
Cash Flows from Financing Activities	
Partner capital contributions	500
Partnership distributions	(18,708)
Payments on long-term debt	<u>(192,464)</u>
Net Cash Used in Financing Activities	<u>(210,672)</u>
Net Increase in Cash and Cash Equivalents	131,345
Cash and Cash Equivalents	
Beginning of year	<u>993,912</u>
End of Year	<u>\$ 1,125,257</u>
Supplemental Disclosure of Cash Flow Information	
Interest paid	\$ 386,919

See accompanying notes.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements
Year Ended December 31, 2018

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:

- Shawnee Development Corporation - HUEDC is a 100% sole stockholder.
- 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. - Shawnee Development Corporation is a .01% general partner. Effective December 31, 2018, the partnership agreement was amended to give HUEDC a 99.99% limited partnership interest.
- 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.
- Hoosier Uplands Phoenix, LLC - HUEDC is a 99.99% member and Shawnee Development Corporation is a 0.01% member.
- PD Leverage Loan Partners, LLC - HUEDC is a 65.7% member.

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.

**Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018**

Note B - Summary of Significant Accounting Policies (Continued)

1. Basis of Accounting and Presentation (Continued): On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Entity adopted this ASU as of and for the year ended December 31, 2018. The Entity reports information about its financial position and activities according to two classes of net assets:

- *Net Assets without Donor Restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Entity. These net assets may be used at the discretion of the Entity's management and the board of directors.
- *Net Assets with Donor Restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Entity or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Entity has made a policy election to classify donor restricted contributions whose restrictions are met in the same reporting period as the revenue is recognized as support within net assets without donor restrictions.

The Entity had no net assets with donor restrictions as of December 31, 2018.

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.
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. Cash equivalents total \$354,446 at December 31, 2018.
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.

**Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018**

Note B - Summary of Significant Accounting Policies (Continued)

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, 2018. 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 market 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

HUEDC periodically reviews the carrying values of property and equipment for impairment whenever adverse events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

8. Revenue Recognition:
- Patient Revenue: Patient receivables and healthcare revenue are 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.
 - Cost Reimbursement Grants: Revenue from cost-reimbursement grants is recognized in the period in which the related expenses are incurred and claimed for reimbursement.
 - Performance-Based Grants (Fixed Unit Price): Revenue from grants wherein HUEDC is reimbursed based upon a contractually agreed-upon rate is recognized in the period in which HUEDC renders the service.
9. Advertising: HUEDC expenses advertising costs as incurred. Total advertising expense, principally for its Healthcare Division, for the year ended December 31, 2018 was approximately \$35,200.
10. 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.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018

Note B - Summary of Significant Accounting Policies (Continued)

11. Recent Accounting Pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the Entity's year ending December 31, 2019. The Entity evaluated the impact of the adoption of ASU 2014-09 on the financial statements and did not record any material impact from the adoption of ASU 2014-09 as of January 1, 2019.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this standard should assist entities in 1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and 2) determining whether a contribution is conditional. This standard will be effective for annual reporting periods beginning after December 15, 2018. The Entity evaluated the impact of the adoption of ASU 2018-08 on the financial statements and did not record any material impact from the adoption of ASU 2018-08 as of January 1, 2019.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This updated guidance provides new requirements for leases to be recognized in the combined financial statements. In general, the guidance requires the lessee to recognize liabilities on the combined statement of financial position for the obligation to make lease payments and an asset for the right to use the underlying assets for the lease term. There is a differentiation between finance leases and operating leases for the lessee in the combined statements of activities and cash flows. Finance leases recognize interest on the lease liability separately from the right to use the asset whereas an operating lease recognizes a single lease cost allocated over the lease term on a generally straight-line basis. All cash payments are within operating activities in the combined statement of cash flows except finance leases classify repayments of the principal portion of the lease liability within financing activities. The updated guidance is to be applied using a modified retrospective approach effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted.

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 income statement 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 annual reporting periods beginning after December 15, 2021.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 820)*. This standard requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Consequently, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance is effective for annual periods beginning after December 15, 2018.

The Entity is currently evaluating ASUs 2016-02, 2016-13, and 2016-18 and their related impact on the Entity's combined financial statements.

**Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018**

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"). These restricted deposits are held in a separate account and generally are not available for operating purposes. The balance in the reserve accounts totaled \$958,835 at December 31, 2018.

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.

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, 2018.

- *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, 2018, consisted of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Government Bonds	\$ 2,987,992	\$ -	\$ 2,987,992
Corporate Bonds	2,186,125	-	2,186,125
Municipal Bonds	621,493	-	621,493
Common Stocks	1,350,168	1,350,168	-
Preferred Stocks	87,290	87,290	-
Mutual Funds	954,472	954,472	-
Assets Held by Community Foundation	<u>38,490</u>	<u>-</u>	<u>38,490</u>
	<u>\$ 8,226,030</u>	<u>\$ 2,391,930</u>	<u>\$ 5,834,100</u>

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018

Note D - Fair Value Measurement (Continued)

Investment return (including activity related to cash equivalents and certificates of deposit) for the year ended December 31, 2018 is as follows:

Interest and dividends	\$ 390,168
Unrealized loss	(523,873)
Realized gain	<u>152,441</u>
	18,736
Less: investment expense	<u>(18,670)</u>
Net Investment Return	<u>\$ 66</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.

Note E - Grants Receivable

Grants receivable at December 31, 2018, consist of the following:

Indiana Department of Family & Social Services	\$ 418,073
Indiana Housing and Community Development Authority	207,401
Indiana Department of Education	106,569
Indiana State Department of Health	100,493
State of Indiana - Medicaid	77,974
U.S. Department of Health and Human Services	93,519
Indiana University	66,500
Purdue University	18,263
Department of Housing and Urban Development	7,847
State Department of Insurance	<u>540</u>
	<u>\$ 1,097,179</u>

**Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018**

Note F - Property and Equipment

Property and equipment at December 31, 2018, consist of the following:

Land	\$ 3,049,476
Land improvements	5,903,704
Buildings and building improvements	47,825,532
Office furniture and equipment	3,038,110
Home health equipment	175,188
Vehicles	<u>914,463</u>
	60,906,473
Less accumulated depreciation	<u>(16,603,788)</u>
Property and Equipment, net	<u>\$ 44,302,685</u>

Depreciation expense charged to operations was \$1,485,856 for the year ended December 31, 2018.

Note G - Note Receivable

The Entity has a note receivable totaling \$6,709,309 at December 31, 2018, with Phoenix-Dickason Investment Fund, LLC bearing interest at approximately 2.376%. Annual payments of interest only are due through December 2020. On December 10, 2020, a payment of principal and interest equal to \$322,688 is due. Beginning December 2021, an annual principal and interest payment of \$375,878 is due. All outstanding principal and interest is due July 27, 2050.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018

Note H - Long-term Debt

Following is a summary of long-term debt at December 31, 2018:

Note payable to Indiana Housing and Community Development Authority, payable in monthly installments of \$1,333 through June 2022. The note carries no interest. Mortgage is secured by real estate in Lawrence County, Indiana. (Persimmon Park Apartments)	\$ 54,667
Note payable to Old National Bank, payable in monthly installments of \$5,542 through November 2019. The interest rate on the note is based upon the 30 day London Interbank Offered Rates plus 2.250%. The interest rate on the note was 4.5946% at December 31, 2018. The mortgage is secured by real estate in Mitchell, Indiana. (500 West Main Street). In February 2019 the note's terms were changed with the bank to a fixed rate of 5.02% with monthly payments of \$2,619 through the new maturity date of February 2029.	255,907
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)	966,858
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 \$1,641 from Rural Housing Development Corporation. The mortgage is secured by an apartment complex. (New Horizons Apartments)	707,525
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)	88,606
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)	1,229,494
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)	944,510
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)	779,563
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)	209,454
Note payable to Indiana Housing and Community Development Authority, payable in semi-annual installments of \$1,167 through October 2022. The note carries no interest. The note is secured by an apartment complex. (Larkin Apartments)	5,500
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)	370,000
Balance Forward	5,612,084

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018

Note H - Long-term Debt (Continued)

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. 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 2020 at an interest rate of 3.72%. 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.)	492,065
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 6.01%. The note is secured by a mortgage lien and security interest on Bedford Apartments. (Bedford Apartments, L.P.)	590,341
Note payable to P/R Mortgage and Investment Corp., payable in monthly installments of principal and interest of \$708 through October 2033 at an interest rate of 6.99%. The note is guaranteed by Rural Development of the U.S. Development of Agriculture, pursuant to Section 538 Guaranteed Rural Rental Housing Program. (Spring Town Apartments, L.P.)	106,291
Note payable to Old National Bank, payable in monthly installments of principal and interest of \$2,736 through November 2020 at an interest rate of 6.10%. The note is secured by a mortgage lien and security interest on the property as well as an assignment of leases and rents of Pioneer Creek Apartments. (Pioneer Creek Apartments, L.P.)	226,165
Note payable to FR CDE ONE, LLC at an interest rate of approximately 1.24%. Payments of interest only are due annually through December 2019. Annual equal payments of principal and interest begin December 2020. The loan matures July 2050. The note is secured by a mortgage on property associated with the Phoenix project. (Hoosier Uplands Phoenix, LLC)	4,400,604
Note payable to FR CDE ONE, LLC at an interest rate of approximately 1.24%. Payments of interest only are due annually through December 2019. Annual equal payments of principal and interest begin December 2020. The loan matures July 2050. The note is secured by a mortgage on property associated with the Phoenix project. (Hoosier Uplands Phoenix, LLC)	1,324,570
Note payable to FR CDE ONE, LLC at an interest rate of approximately 4.34%. Payments of interest only are due annually through December 2019. Annual equal payments of principal and interest begin December 2020. The loan matures July 2050. The note is secured by a mortgage on the property associated with the Phoenix project. (PD Leverage Loan Partners, LLC)	1,365,107
Note payable to FR CDE ONE, LLC at an interest rate of approximately 4.34%. Payments of interest only are due annually through December 2019. Annual equal payments of principal and interest begin December 2020. The loan matures July 2050. The note is secured by a mortgage on apartments associated with the Phoenix project. (PD Leverage Loan Partners, LLC)	943,597
Loan payable to the Indiana Housing and Community Development Authority. The note does not bear interest. The entire principal balance is due upon maturity in November 2019. The loan is secured by a mortgage of the real estate and improvements. (Stonecutters Place, LP) Prior to November 2019, the invested limited partners are required to contribute additional capital in the amount of \$6,160,058 which will primarily be used for the pay-off of this loan.	<u>5,500,000</u>
Principal Balance Due	20,605,824
Less unamortized debt issuance costs	<u>(88,845)</u>
	20,516,979
Less current maturities of long-term debt	<u>(6,065,947)</u>
Long-term Debt, net of current maturities and unamortized debt issuance costs	<u>\$ 14,451,032</u>

**Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018**

Note H - Long-term Debt (Continued)

Amortization of debt issuance costs charged to interest expense for the year ended December 31, 2018 totaled \$42,560.

Aggregate maturities of long-term debt at December 31, 2018 are as follows:

2019	\$ 6,065,947
2020	1,082,737
2021	439,597
2022	436,452
2023	438,123
Thereafter	<u>12,142,968</u>
Total	<u>\$ 20,605,824</u>

Note I - 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, 2018 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, 2018, were achieved. The total amount of in-kind revenue received during the year ended December 31, 2018 was \$1,332,166.

Note J - Leased Premises and Leased Commitments

HUEDC has entered into various operating leases for office and Head Start facilities which expire at various dates through June 2020. The total aggregate lease expense for the year ended December 31, 2018, was approximately \$54,000.

At December 31, 2018, the future operating lease obligations for the above leases are as follows:

2019	\$ 54,989
2020	<u>23,400</u>
Total	<u>\$ 78,389</u>

Note K - Retirement Plan

HUEDC has a retirement plan for employees who meet certain eligibility requirements as to age and length of service. Under the Plan, HUEDC will match dollar for dollar an employee's contributions to his/her plan up to a maximum amount of \$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 2018 was \$178,997.

**Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018**

Note L - 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, 2018.

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 HUEDC 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. 2009-6 defines tax positions applicable to pass-through entities, 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.

Note M - 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 N - 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.

Note O - 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.

**Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018**

Note O - Liquidity and Availability of Resources (Continued)

The table below presents financial assets available for general expenditures within one year at December 31, 2018:

Cash and cash equivalents	\$ 1,125,257
Certificates of deposit	375,000
Investments	8,226,030
Grants receivable	1,097,179
Patient receivables, net	959,139
Accounts receivable	44,869
Other receivables	<u>32,514</u>
	<u>\$ 11,859,988</u>

Note P - 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, 2018.

Hoosier Uplands Economic Development Corporation and Affiliates
Notes to Combined Financial Statements (Continued)
Year Ended December 31, 2018

	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	\$ 2,328,149	\$ 783,108	\$ 357,114	\$ 193,205	\$ 327,418	\$ 3,937,869	\$ -	\$ 394,164	\$ 790,007	\$ 9,111,034
Mileage, Per Diem, Lodging and Travel	36,558	9,566	4,755	7,986	2,871	316,345	-	10,519	43,836	432,436
Contracted Transportation	11,387	-	-	-	-	-	-	-	-	11,387
Training, Registrations and Meetings	23,306	210	590	-	5,857	14,248	-	2,413	4,242	50,866
Space Costs	50,099	20,925	23,978	6,552	10,076	139,018	-	12,955	-	263,603
Equipment	-	-	-	-	-	2,101	-	-	-	2,101
Food and Kitchen	-	-	-	-	146,744	-	-	-	764	147,508
Management Fees	-	-	-	-	-	-	-	-	1,598	1,598
Bus and Vehicle Operation	105,259	1,395	6,612	-	801	515	-	1,748	3,929	120,259
Repairs and Maintenance	53,968	-	-	-	-	-	-	-	-	53,968
Contracted Services	-	-	-	5,994	22,419	85,474	-	-	10,440	124,327
Information Technology, Computer & Software	4,073	5,861	6,697	4,594	840	116,420	-	2,522	22,843	163,850
Clinic Operations	-	-	-	-	-	25,502	-	-	-	25,502
Program Supplies and Printing	95,309	18,895	33,003	882	53,638	22,217	-	909	6,885	231,738
Furniture and Fixtures	-	-	-	-	8,776	398	-	-	-	9,174
Billable Medical Supplies	-	-	-	-	-	98,524	-	-	-	98,524
Telephone	27,710	11,188	12,276	2,826	2,642	45,085	-	726	16,639	119,092
Postage	1,642	2,514	5,182	4,817	739	10,139	-	218	22,403	47,654
Regular Heating Assistance	-	-	1,674,825	-	-	-	-	-	-	1,674,825
Crisis Heating Assistance	-	-	183,303	-	-	-	-	-	-	183,303
Cooling Assistance	-	-	737,388	-	-	-	-	-	-	737,388
Housing Assistance	-	-	-	1,568,332	-	11,690	-	-	-	1,580,022
Utility Assistance	-	-	-	73,514	-	-	-	-	-	73,514
Subcontract Services	-	-	-	-	-	-	-	-	26,204	26,204
Copier	9,292	7,203	1,197	2,824	8,516	17,023	-	149	21,481	67,685
Professional Accreditation	-	-	-	-	-	250	-	-	-	250
Professional Dues, Memberships & Licenses	15,604	6,191	114	-	1,695	18,996	-	437	22,045	65,082
Filing Fees	-	-	-	-	-	-	-	-	7,727	7,727
Public Information	3,153	2,443	41	-	-	70,902	-	3,423	79,360	159,322
Audit Costs	-	-	-	-	-	-	-	-	69,949	69,949
Insurance	-	-	-	-	-	-	-	-	162,111	162,111
Interest Expense	-	-	-	-	-	-	334,901	-	22,916	357,817
Depreciation and Amortization	36,700	-	3,996	-	-	-	1,287,685	-	157,475	1,485,856
Other Expenses	-	-	-	-	-	250	-	55	469	774
Client Services	-	690,356	446,405	252	246,934	-	-	162,566	43,017	1,589,530
Donations and Scholarships	-	-	-	-	-	-	-	55,285	-	55,285
Community Development	-	-	-	-	-	-	-	-	397,692	397,692
Loss on Fixed Asset Disposals	-	-	-	-	-	-	-	-	3,649	3,649
In-kind Expenses	1,217,601	59,245	-	-	55,320	-	-	-	-	1,332,166
Partnership Expenses, Exclusive of Depreciation and Amortization	-	-	-	-	-	-	1,241,889	-	442,781	1,684,670
Purchased Services - Hospice	-	-	-	-	-	376,141	-	-	-	376,141
Total	\$ 4,019,810	\$ 1,619,100	\$ 3,497,476	\$ 1,871,778	\$ 895,286	\$ 5,309,107	\$ 2,864,475	\$ 648,089	\$ 2,380,462	\$ 23,105,583

Supplementary Information

Hoober Uplands Economic Development Corporation and Affiliates
 Recap of Natural Expenses by Funding Source
 Year Ended December 31, 2018

	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 State Department of Health via Indiana University	Indiana State Department of Health	Indiana Department of Education	Purdue University	Indiana Department of Insurance	Indiana Criminal Justice Institute	Indiana Tobacco Prevention and Cessation	Healthcare	General	Various Partnerships	Total Expenses
Salaries and Fringe	\$ 2,328,149	\$ 15,410	\$ 858,294	\$ 820,046	\$ 165,274	\$ 285,166	\$ 318,370	\$ 40,630	\$ 2,250	\$ -	\$ 112,788	\$ 3,374,641	\$ 790,007	\$ -	\$ 9,111,034
Mileage, Per Diem, Lodging and Travel	36,558	-	10,420	13,779	10,631	24,706	2,871	7,717	910	479	4,690	275,839	43,836	-	432,436
Contracted Transportation	11,387	-	-	-	-	-	-	-	-	-	-	-	-	-	11,387
Training, Registrations and Meetings	23,306	-	210	1,673	4,404	3,255	5,857	1,320	10	-	1,125	5,464	4,242	-	50,866
Space Costs	50,099	-	21,299	43,111	7,233	8,000	10,076	-	-	-	461	123,324	107,915	-	371,518
Equipment	-	-	-	-	-	-	-	-	-	-	467	1,634	(70,422)	-	(68,321)
Food and Kitchen	-	-	-	-	-	-	146,744	-	-	-	-	-	764	-	147,508
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	1,598	-	1,598
Bus and Vehicle Operation	105,259	-	1,461	8,294	-	-	801	-	-	-	-	515	3,929	-	120,259
Repairs and Maintenance	53,968	-	-	-	-	-	-	-	-	-	-	-	-	-	53,968
Contracted Services	-	-	-	5,994	47,351	2,400	22,419	-	-	-	-	35,723	10,440	-	124,327
Information Technology, Computer & Software	4,073	-	6,000	13,616	2,597	894	840	55	4	-	161	112,768	26,237	-	167,245
Clinic Operations	-	-	-	-	-	25,502	-	-	-	-	-	-	-	-	25,502
Program Supplies and Printing	95,309	-	18,981	34,269	9,982	20,303	53,638	356	83	5,467	3,237	53,650	6,885	-	302,160
Furniture and Fixtures	-	-	-	-	398	-	8,776	-	-	-	-	-	-	-	9,174
Billable Medical Supplies	-	-	-	-	-	-	-	-	-	-	-	98,524	-	-	98,524
Telephone	27,710	-	11,806	15,207	4,030	5,168	2,642	2	-	-	240	35,648	16,639	-	119,092
Postage	1,642	-	2,532	10,149	123	516	739	25	25	-	60	9,440	22,403	-	47,654
Regular Heating Assistance	-	-	-	1,674,825	-	-	-	-	-	-	-	-	-	-	1,674,825
Crisis Heating Assistance	-	-	-	183,303	-	-	-	-	-	-	-	-	-	-	183,303
Cooling Assistance	-	-	-	737,388	-	-	-	-	-	-	-	-	-	-	737,388
Housing Assistance	-	-	-	1,568,332	11,690	-	-	-	-	-	-	-	-	-	1,580,022
Utility Assistance	-	-	-	73,514	-	-	-	-	-	-	-	-	-	-	73,514
Subcontract Services	-	-	-	-	-	-	-	-	-	-	-	-	26,204	-	26,204
Copier	9,292	-	7,203	4,085	486	3,222	8,516	85	-	-	164	13,151	21,481	-	67,685
Professional Accreditation	-	-	-	-	-	-	-	-	-	-	-	250	-	-	250
Professional Dues, Memberships & Licenses	15,604	-	6,583	114	941	-	1,695	45	-	-	753	17,302	22,045	-	65,082
Filing Fees	-	-	-	-	-	-	-	-	-	-	-	-	7,727	-	7,727
Public Information	3,153	-	2,443	41	10	107	-	-	3,423	-	9,567	61,218	79,360	-	159,322
Audit Costs	12,624	-	5,548	9,000	996	-	1,020	-	-	-	1,512	29,893	9,156	-	69,949
Insurance	51,582	-	5,020	13,318	2,080	278	2,313	115	-	-	266	37,021	50,118	-	162,111
Administration (Agency)	196,044	-	57,136	117,787	14,969	11,896	20,338	-	-	-	6,004	229,368	(669,932)	-	(16,390)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	22,916	334,901	-	357,817
Depreciation and Amortization	36,700	-	-	3,996	-	-	-	-	-	-	-	157,475	1,287,685	-	1,485,856
Other Expenses	-	-	-	-	-	-	-	-	55	-	-	250	469	-	774
Client Services	-	-	1,099,855	446,657	-	-	-	-	-	-	-	-	41,965	-	1,588,477
Donations and Scholarships	-	-	-	-	-	-	-	-	-	-	-	-	55,285	-	55,285
Community Development	-	-	-	-	-	-	-	-	-	-	-	-	397,692	-	397,692
Loss on Fixed Asset Disposals	-	-	-	-	-	-	-	-	-	-	-	-	3,649	-	3,649
In-kind Expenses	1,217,601	-	114,565	-	-	-	-	-	-	-	-	-	-	-	1,332,166
Partnership Expenses, Exclusive of Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	1,684,670	1,684,670
Allocated Case Management	-	-	(403,870)	-	-	-	-	-	-	-	-	404,840	82	-	1,052
Allocated Common Costs	-	-	-	-	-	-	-	-	-	-	-	-	(94,919)	-	(94,919)
Purchased Services - Hospice	-	-	-	-	-	-	-	-	-	-	-	376,141	-	-	376,141
Total	\$ 4,280,060	\$ 15,419	\$ 1,825,486	\$ 5,798,498	\$ 283,195	\$ 391,413	\$ (67,655)	\$ 50,350	\$ 6,760	\$ 5,946	\$ 141,495	\$ 5,296,604	\$ 1,095,446	\$ 3,307,256	\$ 23,105,583

See independent auditor's report

Program A - Federal Programs

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source
Year Ended December 31, 2018**

Funded Directly through U.S. Department of Health and Human Services:

Head Start and
Early Head Start
Agreement #
05CH8438-04-00
CFDA 93.6000

Salaries and Fringe	\$	2,328,149
Mileage, Per Diem, Lodging and Travel		36,558
Contracted Transportation		11,387
Training, Registrations and Meetings		23,306
Bus and Vehicle Operation/Purchase		105,259
Space Costs and Use Allowances		50,099
Repairs and Maintenance		53,968
Information Technology, Computer & Software		4,073
Program Supplies, Printing and Equipment		95,309
Telephone, Cable, & Cell Phone		27,710
Postage		1,642
Copier		9,292
Professional Dues, Memberships & Licenses		15,604
Public Information and Entertainment		3,153
Audit Costs		12,624
Insurance		51,582
Depreciation		36,700
Administration (Agency)		196,044
In-kind Expenses		<u>1,217,601</u>
	\$	<u>4,280,060</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

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

H.U.D.
Housing
Counseling
HC170421017
HC180421033
CFDA 14.169

Salaries and Fringe

\$ 15,419

See independent auditor's report.

Program B - State Programs

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

Funded through the Indiana Family and Social Services Administration, Division of Aging:

	Aging Div IIIA Admin 18/19 Contract # #021701 CFDA 93.044	Aging Div IIIA Admin 17/18 Contract # #021701 CFDA 93.044	Aging Div IIIB ATTC 18/19 Contract # #021701 CFDA 93.044	Aging Div IIIB ATTC 17/18 Contract # #021701 CFDA 93.044	Aging Div IIIB Access Transportation 17/18 Contract # #021701 CFDA 93.044
Salaries and Fringe	\$ 8,641	\$ 4,987	\$ -	\$ -	\$ -
Mileage, Per Diem, Lodging and Travel	136	-	-	-	-
Training, Registrations and Meetings	-	210	-	-	-
Space Costs, Maintenance, & Repairs	2,144	1,361	-	-	-
Vehicle Operation	840	103	-	-	-
Supplies and Printing	-	1,159	-	-	-
Information Tech, Computer & Software	1,156	738	-	-	-
Telephone and Internet	729	424	-	-	-
Postage	364	165	-	-	-
Copier	145	85	-	-	-
Professional Dues and Memberships	2,618	-	-	-	-
Public Information	890	735	-	-	-
Insurance	566	377	-	-	-
Audit	600	-	-	-	-
Administration (Agency)	14,626	10,184	-	-	-
Client Services	-	-	2,747	192	1,202
Older Hoosier Funds Subsidy	-	-	-	-	-
NSIP Meals Subsidy	-	-	-	-	-
In-kind Expenses	1,176	8,107	-	-	554
Allocated Case Management	-	-	-	-	-
	<u>\$ 34,631</u>	<u>\$ 28,635</u>	<u>\$ 2,747</u>	<u>\$ 192</u>	<u>\$ 1,756</u>

See independent auditor's report.

HHoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

Funded through the Indiana Family and Social Services Administration, Division of Aging (Continued):

	Aging Div IIIB Access Case Management 18/19 Contract # #021701 CFDA 93.044	Aging Div IIIB Access Case Management 17/18 Contract # #021701 CFDA 93.044	Aging Div IIIB In-home Transportation 17/18 Contract # #021701 CFDA 93.044	Aging Div IIIB In-home Homemaker 18/19 Contract # #021701 CFDA 93.044
Salaries and Fringe	\$ 56,830	\$ 43,725	\$ -	\$ -
Mileage, Per Diem, Lodging and Travel	44	293	-	-
Training, Registrations and Meetings	-	-	-	-
Space Costs, Maintenance, & Repairs	-	-	-	-
Vehicle Operation	-	-	-	-
Supplies and Printing	-	-	-	-
Information Tech, Computer & Software	-	-	-	-
Telephone and Internet	14	-	-	-
Postage	-	-	-	-
Copier	-	-	-	-
Professional Dues and Memberships	-	-	-	-
Public Information	-	364	-	-
Insurance	-	-	-	-
Audit	-	-	-	-
Administration (Agency)	-	-	-	-
Client Services	-	-	-	13,099
Older Hoosier Funds Subsidy	(3,666)	(5,173)	-	-
NSIP Meals Subsidy	-	-	-	-
In-kind Expenses	4,717	13,548	14	1,632
Allocated Case Management	3,765	34,215	-	-
	<u>\$ 61,704</u>	<u>\$ 86,972</u>	<u>\$ 14</u>	<u>\$ 14,731</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

Funded through the Indiana Family and Social Services Administration, Division of Aging (Continued):

	Aging Div IIIB In-home Homemaker 17/18 Contract # #021701 <u>CFDA 93.044</u>	Aging Div IIIB Other Ombudsman 18/19 Contract # #021701 <u>CFDA 93.044</u>	Aging Div IIIB Other Ombudsman 17/18 Contract # #021701 <u>CFDA 93.044</u>	Aging Div IIIB Other Legal 17/18 Contract # #021701 <u>CFDA 93.044</u>
Salaries and Fringe	\$ -	\$ -	\$ -	\$ -
Mileage, Per Diem, Lodging and Travel	-	-	-	-
Training, Registrations and Meetings	-	-	-	-
Space Costs, Maintenance, & Repairs	-	-	-	-
Vehicle Operation	-	-	-	-
Supplies and Printing	-	-	-	-
Information Tech, Computer & Software	-	-	-	-
Telephone and Internet	-	-	-	-
Postage	-	-	-	-
Copier	-	-	-	-
Professional Dues and Memberships	-	-	-	-
Public Information	-	-	-	-
Insurance	-	-	-	-
Audit	-	-	-	-
Administration (Agency)	-	-	-	-
Client Services	9,718	2,076	1,914	4,736
Older Hoosier Funds Subsidy	-	-	-	-
NSIP Meals Subsidy	-	-	-	-
In-kind Expenses	3,652	186	513	557
Allocated Case Management	-	-	-	-
	<u>\$ 13,370</u>	<u>\$ 2,262</u>	<u>\$ 2,427</u>	<u>\$ 5,293</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

Funded through the Indiana Family and Social Services Administration, Division of Aging (Continued):

	Aging Div IIIB PRSM 18/19 Contract # #021701 <u>CFDA 93.044</u>	Aging Div IIIB PRSM 17/18 Contract # #021701 <u>CFDA 93.044</u>	Aging Div IIIC Congregate Meals 18/19 Contract # #021701 <u>CFDA 93.045</u>	Aging Div IIIC Congregate Meals 17/18 Contract # #021701 <u>CFDA 93.045</u>	Aging Div IIIC Home Del Meals 18/19 Contract # #021701 <u>CFDA 93.045</u>
Salaries and Fringe	\$ -	\$ -	\$ 5,403	\$ 2,133	\$ -
Mileage, Per Diem, Lodging and Travel	-	-	-	-	-
Training, Registrations and Meetings	-	-	-	-	-
Space Costs, Maintenance, & Repairs	-	-	-	-	-
Vehicle Operation	-	-	-	-	-
Supplies and Printing	-	-	-	-	-
Information Tech, Computer & Software	-	-	-	-	-
Telephone and Internet	-	-	-	-	-
Postage	-	-	-	-	-
Copier	-	-	-	-	-
Professional Dues and Memberships	-	-	-	-	-
Public Information	-	-	-	-	-
Insurance	-	-	-	-	-
Audit	-	-	-	-	-
Administration (Agency)	-	-	-	-	-
Client Services	2,055	520	94,268	103,797	44,919
Older Hoosier Funds Subsidy	-	-	(8,762)	(7,744)	(3,320)
NSIP Meals Subsidy	-	-	(10,314)	(21,028)	-
In-kind Expenses	-	-	16,800	23,298	16,762
Allocated Case Management	-	-	-	-	-
	<u>\$ 2,055</u>	<u>\$ 520</u>	<u>\$ 97,395</u>	<u>\$ 100,456</u>	<u>\$ 58,361</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

Funded through the Indiana Family and Social Services Administration, Division of Aging (Continued):

	Aging Div IIIC Home Del Meals 17/18 Contract # #021701 <u>CFDA 93.045</u>	Aging Div IIID Prev Health 18/19 Contract # #021701 <u>CFDA 93.043</u>	Aging Div IIID Prev Health 17/18 Contract # #021701 <u>CFDA 93.043</u>	Aging Div IIIE Family Caregiver 18/19 Contract # #021701 <u>CFDA 93.052</u>	Aging Div IIIE Family Caregiver 17/18 Contract # #021701 <u>CFDA 93.052</u>
Salaries and Fringe	\$ 1,512	\$ 4,440	\$ 4,070	\$ 19,285	\$ 9,889
Mileage, Per Diem, Lodging and Travel	-	-	-	30	36
Training, Registrations and Meetings	-	-	-	-	-
Space Costs, Maintenance, & Repairs	-	-	-	-	-
Vehicle Operation	-	-	-	-	-
Supplies and Printing	-	-	-	-	-
Information Tech, Computer & Software	-	-	2	-	7
Telephone and Internet	-	-	-	-	-
Postage	-	-	-	-	-
Copier	-	-	-	-	-
Professional Dues and Memberships	-	-	-	-	-
Public Information	-	-	-	-	-
Insurance	-	-	-	-	-
Audit	-	-	-	898	-
Administration (Agency)	-	-	-	-	-
Client Services	48,868	-	-	2,256	5,260
Older Hoosier Funds Subsidy	(3,466)	-	-	(1,695)	(1,966)
NSIP Meals Subsidy	-	-	-	-	-
In-kind Expenses	15,223	-	-	1,040	6,787
Allocated Case Management	-	-	-	-	-
	<u>\$ 62,137</u>	<u>\$ 4,440</u>	<u>\$ 4,072</u>	<u>\$ 21,814</u>	<u>\$ 20,013</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

Funded through the Indiana Family and Social Services Administration, Division of Aging (Continued):

	Aging Div Title VII Ombudsman 18/19 Contract # #021701 CFDA 93.042	Aging Div Title VII Ombudsman 17/18 Contract # #021701 CFDA 93.042	Aging Div Assisted Living Ombudsman 18/19 Contract # #021701 CFDA N/A	Aging Div Assisted Living Ombudsman 17/18 Contract # #021701 CFDA N/A	Aging Div Pre-Admission Screening 18/19 Contract # #027411 CFDA N/A
Salaries and Fringe	\$ -	\$ -	\$ -	\$ -	\$ -
Mileage, Per Diem, Lodging and Travel	-	-	-	-	-
Training, Registrations and Meetings	-	-	-	-	-
Space Costs, Maintenance, & Repairs	-	-	-	-	59
Vehicle Operation	-	-	-	-	-
Supplies and Printing	-	-	-	-	-
Information Tech. Computer & Software	-	-	-	-	12
Telephone and Internet	-	-	-	-	365
Postage	-	-	-	-	-
Copier	-	-	-	-	-
Professional Dues and Memberships	-	-	-	-	-
Public Information	-	-	-	-	-
Insurance	-	-	-	-	222
Audit	-	-	-	-	-
Administration (Agency)	-	-	-	-	-
Client Services	2,181	2,011	2,181	2,011	-
Older Hoosier Funds Subsidy	-	-	-	-	-
NSIP Meals Subsidy	-	-	-	-	-
In-kind Expenses	-	-	-	-	-
Allocated Case Management	-	-	-	-	-
	<u>\$ 2,181</u>	<u>\$ 2,011</u>	<u>\$ 2,181</u>	<u>\$ 2,011</u>	<u>\$ 658</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Funded through the Indiana Family and Social Services Administration, Division of Aging (Continued):

	Aging Div Pre-admission Screening 17/18 Contract # #022153 CFDA N/A	Aging Div Older Hoosier Funds 18/19 Contract # #021701 CFDA N/A	Aging Div Older Hoosier Funds 17/18 Contract # #021701 CFDA N/A	Aging Div S.S.B.G. Funds 18/19 Contract # #021701 CFDA 93.667	Aging Div S.S.B.G. Funds 17/18 Contract # #021701 CFDA 93.667
Salaries and Fringe	\$ -	\$ -	\$ -	\$ 41,611	\$ 24,527
Mileage, Per Diem, Lodging and Travel	10	-	-	264	590
Training, Registrations and Meetings	-	-	-	-	-
Space Costs, Maintenance, & Repairs	1,311	-	-	-	374
Vehicle Operation	-	-	-	-	66
Supplies and Printing	-	-	-	-	86
Information Tech, Computer & Software	12	-	-	84	54
Telephone and Internet	261	-	-	325	294
Postage	2	-	-	10	8
Copier	-	-	-	-	-
Professional Dues and Memberships	-	-	-	180	212
Public Information	-	-	-	-	-
Insurance	222	-	-	-	-
Audit	-	-	-	2,200	-
Administration (Agency)	-	-	-	300	4,252
Client Services	-	-	-	99,631	62,935
Older Hoosier Funds Subsidy	-	17,443	18,349	-	-
NSIP Meals Subsidy	-	-	-	-	-
In-kind Expenses	-	-	-	-	-
Allocated Case Management	(388)	-	-	7,360	43,790
	<u>\$ 1,430</u>	<u>\$ 17,443</u>	<u>\$ 18,349</u>	<u>\$ 151,965</u>	<u>\$ 137,188</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

Funded through the Indiana Family and Social Services Administration, Division of Aging (Continued):

	Aging Div CHOICE Funds 18/19 Contract # #021701 CFDA N/A	Aging Div CHOICE Funds 17/18 Contract # #021701 CFDA N/A	Aging Div Medicaid Waiver Intake 18/19 Contract # #027411 CFDA N/A	Aging Div Medicaid Waiver Intake 17/18 Contract # #022153 CFDA N/A	Aging Div NSIP Nutrition 18/19 Contract # #021701 CFDA 93.053
Salaries and Fringe	\$ 63,046	\$ 38,565	\$ 7,927	\$ 10,209	\$ -
Mileage, Per Diem, Lodging and Travel	803	3,456	2,881	1,877	-
Training, Registrations and Meetings	-	-	-	-	-
Space Costs, Maintenance, & Repairs	457	652	-	-	-
Vehicle Operation	26	426	-	-	-
Supplies and Printing	-	6,097	636	-	-
Information Tech, Computer & Software	122	584	1,024	1,353	-
Telephone and Internet	770	514	-	-	-
Postage	54	169	16	-	-
Copier	-	21	-	-	-
Professional Dues and Memberships	-	1,159	2,119	295	-
Public Information	50	404	-	-	-
Insurance	676	657	-	-	-
Audit	1,850	-	-	-	-
Administration (Agency)	16,874	10,816	-	-	-
Client Services	248,886	256,904	10,083	74,205	-
Older Hoosier Funds Subsidy	-	-	-	-	-
NSIP Meals Subsidy	-	-	-	-	10,314
In-kind Expenses	-	-	-	-	-
Allocated Case Management	13,649	50,503	-	-	-
	<u>\$ 347,263</u>	<u>\$ 370,927</u>	<u>\$ 24,686</u>	<u>\$ 87,939</u>	<u>\$ 10,314</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

Funded through the Indiana Family and Social Services Administration, Division of Aging (Continued):

	Aging Div NSIP Nutrition 17/18 Contract # #021701 CFDA 93.053	Aging Div IIIB Other Nutr Supplement 18/19 Contract # #021701 CFDA 93.044	Aging Div IIIB Other Nutr Supplement 17/18 Contract # #021701 CFDA 93.044	Aging Div Case Mgmt 18/19	Aging Div Case Mgmt 17/18	F.S.S.A. Aging Division Totals
Salaries and Fringe	\$ -	\$ -	\$ -	\$ 230,150	\$ 281,344	\$ 858,294
Mileage, Per Diem, Lodging and Travel	-	-	-	-	-	10,420
Training, Registrations and Meetings	-	-	-	-	-	210
Space Costs, Maintenance, & Repairs	-	-	-	8,294	6,647	21,299
Vehicle Operation	-	-	-	-	-	1,461
Supplies and Printing	-	-	-	8,949	2,054	18,981
Information Tech, Computer & Software	-	-	-	455	396	5,999
Telephone and Internet	-	-	-	4,736	3,375	11,807
Postage	-	-	-	859	885	2,532
Copier	-	-	-	3,465	3,487	7,203
Professional Dues and Memberships	-	-	-	-	-	6,583
Public Information	-	-	-	-	-	2,443
Insurance	-	-	-	1,150	1,150	5,020
Audit	-	-	-	-	-	5,548
Administration (Agency)	-	-	-	84	-	57,136
Client Services	-	720	480	-	-	1,099,855
Older Hoosier Funds Subsidy	-	-	-	-	-	-
NSIP Meals Subsidy	21,028	-	-	-	-	-
In-kind Expenses	-	-	-	-	-	114,566
Allocated Case Management	-	-	-	(257,426)	(299,339)	(403,871)
	<u>\$ 21,028</u>	<u>\$ 720</u>	<u>\$ 480</u>	<u>\$ 716</u>	<u>\$ (1)</u>	<u>\$ 1,825,486</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

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

	Comm Svc Div Weatherization Assist. For Low- income Persons 18/19 WX-018-012 CFDA 81.042	Comm Svc Div Weatherization Assist. For Low- income Persons 17/18 WX-017-012 CFDA 81.042	State LIHEAP Weatherization 17/18 WS-018-012 CFDA N/A	Comm Svc Div Weatherization Low-income Home Energy Assist Weatherization 18/19 WL-019-012 CFDA 93.568	Comm Svc Div Weatherization Low-income Home Energy Assist Weatherization 17/18 WL-018-012 CFDA 93.568
Salaries and Fringe	\$ 80,382	\$ 14,836	\$ 754	\$ 16,563	\$ 42,184
Mileage, Per Diem, Lodging and Travel	-	-	-	-	575
Training, Registrations and Conferences	590	-	-	-	-
Space Costs, Repairs, & Maintenance	2,400	2,266	-	8	4,572
Vehicle Purchase and Operation	1,974	112	425	1,148	2,548
Contracted Services	-	-	-	-	-
Supplies, Equipment, and Printing	346	-	-	2,450	23,587
Telephone, Cable, and Internet	826	1,184	-	557	2,027
Postage	193	14	-	-	30
Copier	15	6	-	-	190
Information Tech, Computer & Software	307	196	-	-	920
Regular Heating Assistance	-	-	-	-	-
Crisis Heating Assistance	-	-	-	-	-
Cooling Assistance	-	-	-	-	-
Summer Cool Air Conditioner Assistance	-	-	-	-	-
Housing Assistance	-	-	-	-	-
Utility Assistance	-	-	-	-	-
Insurance	-	2,112	-	888	2,500
Public Information	41	-	-	-	-
Audit	2,500	2,500	-	2,000	-
Depreciation & Use Allowance	-	-	-	-	-
Administration (Agency)	-	9,731	4,713	6,000	22,839
Professional Dues and Memberships	-	-	-	-	114
Client Assistance and Services	102,979	67,330	83,183	47,086	145,827
	<u>\$ 192,553</u>	<u>\$ 100,287</u>	<u>\$ 89,075</u>	<u>\$ 76,700</u>	<u>\$ 247,913</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

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

	Comm Svc Div Low-income Home Energy Assistance/ Leveraging 17/18 LI-018-012 CFDA 93.568	Comm Svc Div Low-income Home Energy Assistance/ Leveraging 18/19 LI-019-012 CFDA 93.568	Comm Svc Div Low-income Home Energy Assistance/ Leveraging 14/15 & 15/16 LI-015-012 LI-016-012 CFDA 93.568	State Energy Assistance 18/19 IR-019-012 CFDA N/A	State Energy Assistance 17/18 IR-018-012 CFDA N/A
Salaries and Fringe	\$ 111,445	\$ 60,708	\$ 18,026	\$ 4,048	\$ 8,168
Mileage, Per Diem, Lodging and Travel	2,560	856	764	-	-
Training, Registrations and Conferences	-	-	-	-	-
Space Costs, Repairs, & Maintenance	8,147	4,894	1,691	-	-
Vehicle Purchase and Operation	250	90	65	-	-
Contracted Services	-	-	-	-	-
Supplies, Equipment, and Printing	2,681	3,162	777	-	-
Telephone, Cable, and Internet	4,858	2,013	811	-	-
Postage	4,742	186	17	-	-
Copier	509	167	310	-	-
Information Tech, Computer & Software	2,465	1,120	1,689	-	-
Regular Heating Assistance	379,390	1,295,435	-	-	-
Crisis Heating Assistance	175,066	8,237	-	-	-
Cooling Assistance	726,390	-	-	-	-
Summer Cool Air Conditioner Assistance	10,998	-	-	-	-
Housing Assistance	-	-	-	-	-
Utility Assistance	-	-	-	-	-
Insurance	3,749	2,143	536	-	-
Public Information	-	-	-	-	-
Audit	-	2,000	-	-	-
Depreciation & Use Allowance	2,664	1,332	-	-	-
Administration (Agency)	26,000	18,000	4,500	-	-
Professional Dues and Memberships	-	-	-	-	-
Client Assistance and Services	-	-	-	-	-
	<u>\$ 1,461,914</u>	<u>\$ 1,400,343</u>	<u>\$ 29,186</u>	<u>\$ 4,048</u>	<u>\$ 8,168</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

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

	Section 8 Housing Choice Vouchers 2018 CFDA 14.871	Home Investment Partnership CHDO Grant CO-016-005 CFDA N/A	Community Services Block Grant CS-018-012 CFDA 93.569	Community Services Block Grant Innovative Grant CS-018-012-D CFDA 93.569	IHCDA Community Svcs Totals
Salaries and Fringe	\$ 133,420	\$ 44,366	\$ 284,963	\$ 183	\$ 820,046
Mileage, Per Diem, Lodging and Travel	7,986	-	1,038	-	13,779
Training, Registrations and Conferences	-	-	1,083	-	1,673
Space Costs, Repairs, & Maintenance	6,552	-	12,581	-	43,111
Vehicle Purchase and Operation	-	-	1,682	-	8,294
Contracted Services	5,994	-	-	-	5,994
Supplies, Equipment, and Printing	882	-	384	-	34,269
Telephone, Cable, and Internet	2,826	-	105	-	15,207
Postage	4,817	-	150	-	10,149
Copier	2,824	-	64	-	4,085
Information Tech, Computer & Software	4,594	-	2,325	-	13,616
Regular Heating Assistance	-	-	-	-	1,674,825
Crisis Heating Assistance	-	-	-	-	183,303
Cooling Assistance	-	-	-	-	726,390
Summer Cool Air Conditioner Assistance	-	-	-	-	10,998
Housing Assistance	1,568,332	-	-	-	1,568,332
Utility Assistance	73,514	-	-	-	73,514
Insurance	896	-	494	-	13,318
Public Information	-	-	-	-	41
Audit	-	-	-	-	9,000
Depreciation & Use Allowance	-	-	-	-	3,996
Administration (Agency)	26,004	-	-	-	117,787
Professional Dues and Memberships	-	-	-	-	114
Client Assistance and Services	252	-	-	-	446,657
	<u>\$ 1,838,893</u>	<u>\$ 44,366</u>	<u>\$ 304,869</u>	<u>\$ 183</u>	<u>\$ 5,798,498</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued) Year Ended
December 31, 2018**

Funded through Indiana State Department of Health via Indiana University:

	Indiana Area Health Education Centers (State) 18/19 CFDA N/A	Indiana Area Health Education Centers (State) 17/18 CFDA N/A	Indiana Area Health Education Centers (Mental Health) 18/19 CFDA N/A	Indiana Area Health Education Centers (Fed) 18/19 CFDA 93.107	Indiana Area Health Education Centers (Fed) 17/18 CFDA 93.107	Indiana Area Health Education Centers Totals
Salaries and Fringe	\$ 50,863	\$ 53,707	\$ 2,200	\$ 7,817	\$ 50,687	\$ 165,274
Mileage, Per Diem, Lodging and Travel	2,441	2,873	593	154	4,570	10,631
Training, Registrations and Conferences	100	3,005	-	-	1,299	4,404
Space Costs, Repairs, and Maintenance	3,094	3,673	-	61	405	7,233
Contracted Services	1,665	31,718	-	2,395	11,573	47,351
Information Technology & Computer Costs	211	2,299	-	-	87	2,597
Furniture and Equipment	-	398	-	-	-	398
Supplies and Printing	1,286	5,574	-	124	2,998	9,982
Telephone, Cable, and Internet	1,422	1,785	-	65	758	4,030
Postage	109	7	-	-	7	123
Copier Expense	261	168	-	-	57	486
Professional Dues and Memberships	191	-	-	-	750	941
Public Information	10	-	-	-	-	10
Audit	498	498	-	-	-	996
Legal Fees	-	-	-	-	-	-
Insurance	1,040	1,040	-	-	-	2,080
Housing Assistance/Stipends	-	300	-	3,000	8,390	11,690
Administration (Agency)	7,200	7,769	-	-	-	14,969
	<u>\$ 70,391</u>	<u>\$ 114,814</u>	<u>\$ 2,793</u>	<u>\$ 13,616</u>	<u>\$ 81,581</u>	<u>\$ 283,195</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Funded through the Indiana State Department of Health:

	Abstinence Education 17/18 A70-5-069788 CFDA 93.235	Abstinence Education 18/19 #022445 CFDA 93.235	STAR Abstinence Education 18/19 CFDA 93.060	STAR Abstinence Education 17/18 CFDA 93.060	T.B. Prevention 2018 #017614 CFDA 93.116
Salaries and Fringe	\$ 41,760	\$ 15,434	\$ 25,608	\$ 67,862	\$ 26,260
Mileage, Per Diem, Lodging and Travel	1,027	308	3,394	8,431	8,555
Training, Registrations and Conferences	-	-	-	2,250	1,005
Clinic Operations and Support	-	-	-	-	25,502
Contracted Services	-	-	-	-	-
Space Costs, Repairs, & Maintenance	1,502	324	402	681	-
Supplies and Printing	208	25	59	7,638	285
Information Technology & Computer Costs	113	35	103	150	67
Telephone, Cable, and Internet	663	229	505	1,120	-
Postage	2	-	131	175	139
Copier	626	256	1,485	674	26
Public Information	-	-	107	-	-
Insurance	122	41	-	-	115
Administration (Agency)	2,250	750	1,608	4,824	832
	<u>\$ 48,273</u>	<u>\$ 17,402</u>	<u>\$ 33,402</u>	<u>\$ 93,805</u>	<u>\$ 62,786</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Funded through the Indiana State Department of Health (Continued):

	Martin Co. WIC & P.C. 18/19 #028831 CFDA 10.557	Martin Co. WIC 17/18 #022278 CFDA 10.557	WIC Peer Counselor Grant 17/18 #022278 CFDA 10.557	Baby & Me Tobacco Free #022329 CFDA N/A	I.S.D.H. Totals
Salaries and Fringe	\$ 20,388	\$ 51,239	\$ 4,963	\$ 31,652	\$ 285,166
Mileage, Per Diem, Lodging and Travel	56	564	33	2,338	24,706
Training, Registrations and Conferences	-	-	-	-	3,255
Clinic Operations and Support	-	-	-	-	25,502
Contracted Services	-	-	-	2,400	2,400
Space Costs, Repairs, & Maintenance	953	3,136	-	1,002	8,000
Supplies and Printing	39	630	-	11,419	20,303
Information Technology & Computer Costs	20	269	-	137	894
Telephone, Cable, and Internet	391	1,334	390	536	5,168
Postage	13	56	-	-	516
Copier	49	104	-	2	3,222
Public Information	-	-	-	-	107
Insurance	-	-	-	-	278
Administration (Agency)	-	-	-	1,632	11,896
	<u>\$ 21,909</u>	<u>\$ 57,332</u>	<u>\$ 5,386</u>	<u>\$ 51,118</u>	<u>\$ 391,413</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Funded through the Indiana Department of Education:

	Child and Adult Food and Nutrition 18/19 CFDA 10.558	Child and Adult Food and Nutrition 17/18 CFDA 10.558	21st Century Learning Cohort 9 18/19 CFDA 84.287C	21st Century Learning Cohort 8, Y2 18/19 CFDA 84.287C	21st Century Learning Cohort 7 17/18 CFDA 84.287C	21st Century Learning Cohort 8 17/18 CFDA 84.287C	Indiana Dept of Education Totals
Salaries and Fringe	\$ -	\$ -	\$ 111,989	\$ 64,124	\$ 89,461	\$ 52,796	\$ 318,370
Mileage, Per Diem, Lodging and Travel	-	119	689	551	808	704	2,871
Training, Registrations and Conferences	-	-	336	646	253	4,622	5,857
Space Costs, Repairs, and Maintenance	1,070	3,564	1,695	1,324	2,773	(350)	10,076
Furniture and Equipment Purchases	-	-	-	-	4,691	4,085	8,776
Vehicle Operation	-	-	264	140	69	328	801
Food and Kitchen	47,002	99,742	-	-	-	-	146,744
Program Supplies & Printing	2,304	10,863	6,822	3,601	14,848	15,200	53,638
Information Technology, Computer and Software	15	32	327	189	159	118	840
Telephone and Internet	-	-	468	622	565	987	2,642
Postage	10	15	338	122	194	60	739
Contracted Services	-	-	11,931	5,488	3,333	1,667	22,419
Copier	-	-	2,677	1,319	(713)	5,233	8,516
Prof. Dues, Memberships, Entertainment	-	-	30	-	48	1,617	1,695
Audit Costs	-	-	-	595	-	425	1,020
Insurance	-	-	1,054	243	798	218	2,313
Administration (Agency)	-	-	8,966	3,500	6,155	1,717	20,338
	<u>\$ 50,401</u>	<u>\$ 114,335</u>	<u>\$ 147,586</u>	<u>\$ 82,464</u>	<u>\$ 123,442</u>	<u>\$ 89,427</u>	<u>\$ 607,655</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Funded Directly through Purdue University:

	Indiana AgriAblity Project 18/19 F9000067402004 <u>CFDA 10.500</u>	Indiana AgriAblity Project 17/18 8000071623-AG <u>CFDA 10.500</u>	Purdue University <u>Totals</u>
Salaries and Fringe	\$ 14,871	\$ 25,759	\$ 40,630
Mileage, Per Diem, Lodging and Travel	2,701	5,016	7,717
Training & Registrations	575	745	1,320
Information Technology & Computer Costs	19	36	55
Program Supplies	42	314	356
Telephone & Internet	-	2	2
Postage	2	23	25
Copier	37	48	85
Dues & Subscriptions	-	45	45
Insurance	38	77	115
	<u>\$ 18,285</u>	<u>\$ 32,065</u>	<u>\$ 50,350</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Funded through Indiana Department of Insurance:

	State Health Insurance Assistance (SHIP) <u>CFDA 93.779</u>
Salaries and Fringe	\$ 2,250
Mileage, Per Diem, Lodging and Travel	910
Training, Registrations and Conferences	10
Information Technology, Computer and Software Costs	4
Supplies and Printing	83
Postage	25
Certification Fees	55
Public Information	<u>3,423</u>
	<u>\$ 6,760</u>

See independent auditor's report.

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Funded Directly through Indiana Criminal Justice Institute:

	Child Passenger Safety Program <u>CFDA N/A</u>
Mileage, Per Diem, Lodging and Travel	\$ 479
Program Supplies & Printing	<u>5,467</u>
	<u>\$ 5,946</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018

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

	Daviess County Tobacco Prevention 2018/19 CFDA N/A	Daviess County Tobacco Prevention 2017/18 CFDA N/A	Lawrence County Tobacco Prevention 2018/19 CFDA N/A	Lawrence County Tobacco Prevention 2017/18 CFDA N/A	Knox County Tobacco Prevention 2018/19 CFDA N/A	Knox County Tobacco Prevention 2017/18 CFDA N/A	Tobacco Prevention and Cessation Totals
Salaries and Fringe	\$ 20,069	\$ 17,229	\$ 19,559	\$ 16,981	\$ 19,498	\$ 19,452	\$ 112,788
Mileage, Per Diem, Lodging and Travel	783	575	379	385	844	1,724	4,690
Training, Registrations and Conferences	-	50	80	50	50	895	1,125
Space Costs	-	-	205	256	-	-	461
Furniture, Fixtures, and Equipment	-	-	-	467	-	-	467
Supplies and Printing	63	851	20	1,589	486	228	3,237
Information Technology & Computer Costs	28	27	26	26	27	27	161
Telephone	-	-	240	-	-	-	240
Postage	11	8	16	1	6	18	60
Copier	3	2	87	71	1	-	164
Professional Dues & Memberships	100	244	156	111	142	-	753
Public Information	-	1,525	97	1,445	-	6,500	9,567
Audit	252	252	252	252	252	252	1,512
Insurance	44	44	44	44	45	45	266
Administration (Agency)	1,005	1,210	873	1,046	874	996	6,004
	<u>\$ 22,358</u>	<u>\$ 22,017</u>	<u>\$ 22,034</u>	<u>\$ 22,724</u>	<u>\$ 22,225</u>	<u>\$ 30,137</u>	<u>\$ 141,495</u>

See independent auditor's report.

Program C - Healthcare Division

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Healthcare Division:

	<u>Home Healthcare and Hospice</u>	<u>Serenity Now Psychiatric and Counseling Svcs</u>	<u>Medicaid Waiver Case Mgt and Svcs</u>	<u>Healthcare Division Totals</u>
Salaries and Fringe	\$ 2,251,524	\$ 1,049,332	\$ 73,785	\$ 3,374,641
Mileage, Per Diem, Lodging and Travel	249,933	4,488	21,418	275,839
Training, Registrations and Conferences	2,330	3,126	8	5,464
Space Costs, Repairs, and Maintenance	54,544	68,780	-	123,324
Furniture and Equipment	1,170	464	-	1,634
Vehicle Operation	515	-	-	515
Contracted Services/Therapy	33,113	2,610	-	35,723
Information Technology, Software & Computer Costs	41,028	71,693	47	112,768
Donations and Sponsorships	250	-	-	250
Supplies, Printing and Shredding	49,247	3,369	1,034	53,650
Billable Medical Supplies	98,524	-	-	98,524
Telephone, Internet, and Cable	24,824	10,824	-	35,648
Postage	7,109	2,331	-	9,440
Copier Expense	10,420	2,731	-	13,151
Public Information and Promotions	60,620	598	-	61,218
Professional Accreditation	250	-	-	250
Dues, Subscriptions and Licenses	12,410	3,649	1,243	17,302
Insurance	28,109	8,911	-	37,020
Administration Charges (Agency)	185,618	-	43,750	229,368
Audit, Legal and Cost Report Preparation and Fees	24,944	3,949	1,000	29,893
Allocated Case Management Expenses	-	-	404,840	404,840
Purchased Medical Services, Supplies & Client Assistance	337,248	-	38,894	376,142
	<u>\$ 3,473,730</u>	<u>\$ 1,236,855</u>	<u>\$ 586,019</u>	<u>\$ 5,296,604</u>

See independent auditor's report.

Program D - General

**Hoosier Uplands Economic Development Corporation and Affiliates
Statement of Natural Expenses by Funding Source (Continued)
Year Ended December 31, 2018**

Funded through Local Agreements/Programs and Donations:

Salaries and Fringe	\$ 790,007
Mileage, Per Diem, Lodging and Travel	43,836
Training, Registrations, Meetings	4,242
Space Costs, Repairs, and Maintenance	107,915
Vehicle Operation Expense	3,929
Furniture, Equipment, Vehicle Purchases	(70,422)
Bank Fees and Interest Expense	22,916
Food and Kitchen	764
Management Fees	1,598
Info Technology, Computer & Software Costs	26,237
Contracted Services	10,440
Program Supplies & Printing	6,885
Property Purchase and Improvements	(4,487)
Property Taxes Paid	4,956
Telephone, Cable, & Internet	16,639
Postage	22,403
Copier Costs	21,481
Client/Employee Assistance and Services	41,965
Donations, Grants, and Scholarships	55,285
Dues & Subscriptions	22,045
Subcontracted Services	26,204
Public Information & Events	79,360
Community Development & Improvement	397,692
Insurance	50,118
Legal/Filing/Consulting Fees	7,727
Audit and Tax Preparation	9,356
Loss on Fixed Asset Disposals	3,649
Depreciation	216,549
Administration (Agency)	(705,888)
Allocated Case Management	82
Allocated IT Dept Costs	(23,118)
Allocated Common Costs	(94,919)
	<u>\$ 1,095,446</u>

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Partnership Revenues and Expenses
Year Ended December 31, 2018

	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	Persimmon Park Apartments
Revenue								
Net rental income	\$ 221,343	\$ 336,891	\$ 103,141	\$ 79,033	\$ 137,206	\$ 157,104	\$ 266,448	\$ 293,849
Interest income	-	75	-	199	-	35	-	-
Other income	-	10,446	2,352	657	1,569	4,964	2,438	2,903
Total Revenue	221,343	347,412	105,493	79,889	138,775	162,103	268,886	296,752
Expenses								
Administration expenses	24,924	66,785	29,964	27,639	67,511	43,714	75,429	101,412
Utilities	42,334	41,090	27,806	20,686	16,276	27,217	31,443	31,676
Operating and maintenance	118,913	85,168	27,016	24,895	35,522	54,064	58,291	47,793
Taxes and insurance	41,833	50,705	31,016	17,964	51,978	10,289	40,610	31,490
Interest expense	125,576	23,426	62,694	42,108	18,711	14,603	32,564	43,866
Depreciation and amortization	91,606	94,960	87,980	89,157	233,230	53,553	44,496	61,909
Total Expenses	445,186	362,134	266,476	222,449	423,228	203,440	282,833	318,146
Subtotal Revenue Over (Under) Expenses	(223,843)	(14,722)	(160,983)	(142,560)	(284,453)	(41,337)	(13,947)	(21,394)
Less elimination	120,255	20,844	67,393	40,870	25,083	11,348	30,600	30,800 *
Revenue Over (Under) Expenses	\$ (103,588)	\$ 6,122	\$ (93,590)	\$ (101,690)	\$ (259,370)	\$ (29,989)	\$ 16,653	\$ 9,406
	Stalker Apartments, L.P.	Taylor Apartments	Hoosier Uplands Lost River II	Hoosier Uplands College Hill	Phoenix Project	Hoosier Uplands Phoenix, LLC	PD Leverage Loan Partnership, LLC	Total
Revenue								
Net rental income	\$ 86,809	\$ 87,443	\$ 87,681	\$ 106,310	\$ 82,430	\$ 186,701	\$ -	\$ 2,232,389
Interest income	-	-	-	-	-	-	159,441	159,750
Other income	1,500	380	-	-	-	3	-	27,212
Total Revenue	88,309	87,823	87,681	106,310	82,430	186,704	159,441	2,419,351
Expenses								
Administration expenses	44,634	34,783	28,452	33,332	24,570	-	-	603,149
Utilities	10,499	7,229	24,306	26,630	10,652	-	-	317,844
Operating and maintenance	15,345	16,697	17,789	23,137	40,400	-	-	565,030
Taxes and insurance	24,946	6,632	20,793	18,000	12,759	-	-	359,015
Interest expense	13,600	4,240	-	-	-	71,110	159,514	612,012
Depreciation and amortization	230,668	15,217	36,239	85,561	-	163,109	-	1,287,685
Total Expenses	339,692	84,798	127,579	186,660	88,381	234,219	159,514	3,744,735
Subtotal Revenue Over (Under) Expenses	(251,383)	3,025	(39,898)	(80,350)	(5,951)	(47,515)	(73)	(1,325,384)
Less elimination	18,821	9,050	6,175	6,474	5,760	-	44,006	437,479 *
Revenue Over (Under) Expenses	\$ (232,562)	\$ 12,075	\$ (33,723)	\$ (73,876)	\$ (191)	\$ (47,515)	\$ 43,933	\$ (887,905)

* Represents management fee and interest expense charged by Hoosier Uplands Economic Development Corporation to the various partnerships

See independent auditor's report.

Hoosier Uplands Economic Development Corporation and Affiliates
 Schedule of Expenditures of Federal Awards and Notes
 Year Ended December 31, 2018

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services Directly from Department of Health and Human Services:				
Head Start	93.600	05CH8438-04-00	\$ -	\$ 3,062,459
Total directly received from the Department of Health and Human Services			-	3,062,459
Passed through Indiana State Department of Health:				
ACA Abstinence Education	93.235	#022445	-	65,675
HCET-CHAT / STAR	93.060	n/a	-	127,207
Tuberculosis Control Program	93.116	#17614 / #17616	-	62,786
Total passed through the Indiana State Department of Health			-	255,668
Passed through Indiana State Department of Insurance:				
State Health Insurance Assistance (SHIP)	93.779	#017896	-	6,760
Total passed through the Indiana State Department of Insurance			-	6,760
Passed through Indiana Housing and Community Development Authority:				
Community Services Block Grant	93.569	CS-018-012	-	268,084
Community Services Block Grant (Carryover)	93.569	CS-017-CO-012	-	36,785
Community Services Block Grant Innovative Grant	93.569	CS-018-012-D	-	183
Low-Income Home Energy Assistance	93.568	LJ-018-012 / LJ-019-012 / LJ-015-012 / LJ-016-012	-	2,891,443
Low-Income Home Energy Assistance Weatherization	93.568	WL-018-012/ WL-019-012	-	324,613
Total passed through the Indiana Housing and Community Development Authority			-	3,521,108
Passed through Indiana Family and Social Services Administration:				
Aging Cluster: IIIA Aging - Administration	93.044	#021701	-	53,983
IIIB Aging - Access Transportation	93.044	#021701	-	1,756
IIIB Aging - ATTC	93.044	#021701	-	2,939
IIIB Aging - Case Management	93.044	#021701	-	130,411
IIIB Aging - In Home Transportation	93.044	#021701	-	-
IIIB Aging - In Home Homemaker	93.044	#021701	-	22,817
IIIB Aging - Legal	93.044	#021701	-	4,736
IIIB Aging - Nutritional Supplement	93.044	#021701	-	1,200
IIIB Aging - Pest Control	93.044	#021701	-	-
IIIB Aging - PRSM	93.044	#021701	-	2,575
IIIB Aging - Ombudsman	93.044	#021701	-	3,990
IIIC Aging - Home Delivered Meals	93.045	#021701	-	88,513
IIIC Aging - Congregate Meals	93.045	#021701	-	157,753
Elderly Nutrition - Nutrition Services Incentive Program (NSIP)	93.053	#021701	-	31,341
			-	502,014
III Aging - Preventative Health	93.043	#021701	-	8,512
IIINational Family Caregiver Support, Title III	93.052	#021701	-	34,000
VII Aging - Ombudsman	93.042	#021701	-	4,192
S.S.B.G	93.667	#021701	-	289,153
			-	335,857
Total passed through the Indiana Family and Social Services Administration			-	837,871

Hoosier Uplands Economic Development Corporation and Affiliates
Schedule of Expenditures of Federal Awards and Notes (Continued)
Year Ended December 31, 2018

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Number	Passed Through to Subrecipients	Federal Expenditures
<u>Passed through Indiana University:</u>				
AHEC	93.107	U77HP23068-08	\$ -	\$ 95,197
Total passed through Indiana University			-	95,197
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	7,779,063
<u>Passed through Indiana State Department of Health:</u>				
WIC Martin County Peer Counselor Grant	10.557	#028831	-	84,627
Total passed through the Indiana State Department of Health			-	84,627
<u>Passed through Indiana State Department of Education:</u>				
Child and Adult Food and Nutrition Program	10.558	47-1470092	-	164,736
Total passed through the Indiana State Department of Education			-	164,736
<u>Passed through Purdue University:</u>				
Indiana AgrAbility Project	10.500	F9000067402004	-	50,350
Total passed through Purdue University			-	50,350
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF AGRICULTURE			-	299,713
<u>U.S. Department of Housing and Urban Development</u>				
<u>Directly from Department of Housing and Urban Development:</u>				
HUD Housing Counseling	14.169	HC18-0421-033	-	15,419
Total directly received from the U.S. Department of Housing and Urban Development			-	15,419
<u>Passed through Indiana Housing and Community Development Authority:</u>				
ARRA Section 1602 Tax Credit Exchange Program (see Note 3)	14.258			897,977
Section 8 Housing Choice Vouchers	14.871	SH-006-011	-	1,838,893
Total passed through the Indiana Housing and Community Development Authority			-	2,736,870
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	2,752,289

Hoosier Uplands Economic Development Corporation and Affiliates
 Schedule of Expenditures of Federal Awards and Notes (Continued)
 Year Ended December 31, 2018

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Energy				
Passed through Indiana Housing and Community Development Authority:				
Weatherization Assistance for Low-Income Persons	81.042	WX-018-012	\$ -	\$ 292,840
Total passed through the Indiana Housing and Community Development Authority			-	292,840
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF ENERGY			-	292,840
U.S. Department of Education				
Passed through Indiana State Department of Education:				
21st Century Learning Center Program	84.287	S287C170014	-	442,919
Total passed through the Indiana State Department of Education			-	442,919
TOTAL RECEIVED FROM THE U.S. DEPARTMENT OF EDUCATION			-	442,919
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			\$ -	\$11,566,824

Note 1 - 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, 2018. 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 2 - 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.

Note 3 - Noncash Items

In accordance with requirements specified by the Uniform Guidance, the beginning balance of a loan of federal funds (CFDA 14.258) received in a prior period is presented totaling \$897,977. There were no additional proceeds received or other activity related to this balance apart from forgiveness of a portion of the balance during 2018.



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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of Hoosier Uplands Economic Development Corporation and Affiliates, which comprise the combined statement of financial position as of December 31, 2018, and the related combined statements 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 5, 2019. 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 these various partnerships were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

-48-

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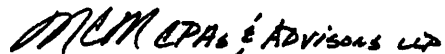
**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards* (Continued)**

Compliance and Other Matters

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

Purpose of this Report

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

 MCM CPA & ADVISORS LLP

Jeffersonville, Indiana
August 5, 2019



**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

Report on Compliance for Each Major Federal Program

We have audited Hoosier Uplands Economic Development Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hoosier Uplands Economic Development Corporation's major federal programs for the year ended December 31, 2018. Hoosier Uplands Economic Development Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hoosier Uplands Economic Development Corporation's compliance.

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**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)**

Opinion on Each Major Federal Program

In our opinion, Hoosier Uplands Economic Development Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

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

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

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

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

MLM CPAs & Advisors LLP

Jeffersonville, Indiana
August 5, 2019

**Hoosier Uplands Economic Development Corporation and Affiliates
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? _____ yes X no
 Significant deficiency(ies) identified not considered to be
 material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

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

Type of auditors' report issued on compliance for major
 programs: Unmodified

Any audit findings disclosed that are required to be reported
 in accordance with the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.258	ARRA Section 1602 Tax Credit Exchange Program	\$ 897,977
14.871	Section 8 Housing Choice Vouchers	\$1,838,893

Dollar threshold used to distinguish between Type A and
 Type B programs: \$750,000

Auditee qualified as a low risk auditee? X 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, 2018**

None.

**Hoosier Uplands Economic Development Corporation and Affiliates
Exit Conference
Year Ended December 31, 2018**

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.