

Indiana Association for Community
Economic Development, Inc.
Db a Prosperity Indiana and Affiliate

Consolidated Financial Statements and
Independent Auditors' Report

December 31, 2018 and 2017

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Independent Auditors' Report

**Board of Directors
Indiana Association for Community Economic
Development, Inc. dba Prosperity Indiana and Affiliate**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Indiana Association for Community Economic Development, Inc. dba Prosperity Indiana and its Affiliate, which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Indiana Association for Community Economic Development, Inc. dba Prosperity Indiana and its Affiliate as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Indiana Association for Community Economic Development, Inc. dba Prosperity Indiana and its Affiliate for the year ended December 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on August 7, 2018.

Estep Burkey Simmons, LLC

Muncie, Indiana

May 30, 2019

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 385,533	\$ 502,923
Grants receivable	240,901	196,207
Accounts receivable	26,995	13,737
Prepaid expenses	7,802	23,876
Total current assets	<u>661,231</u>	<u>736,743</u>
PROPERTY AND EQUIPMENT,		
net of depreciation	<u>28,840</u>	<u>7,000</u>
	<u>\$ 690,071</u>	<u>\$ 743,743</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 9,973	\$ 20,310
Accrued liabilities	31,053	30,607
Deferred revenue - annual summit	44,151	60,895
Deferred revenue - member dues	35,725	6,541
Total current liabilities	<u>120,902</u>	<u>118,353</u>
NET ASSETS		
Without donor restrictions	166,536	246,969
With donor restrictions	402,633	378,421
	<u>569,169</u>	<u>625,390</u>
	<u>\$ 690,071</u>	<u>\$ 743,743</u>

The accompanying notes are an integral part of these statements.

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31,

	2018		Total
	Without Donor Restrictions	With Donor Restrictions	
Operating public support and revenue			
Public support			
Grants	\$ 173,020	\$ 258,787	\$ 431,807
Contributions	11,838		11,838
Homeward Bound contributions			
Total public support	<u>184,858</u>	<u>258,787</u>	<u>443,645</u>
Revenue			
Fees for service	105,734		105,734
Member dues	59,930		59,930
Sponsorships	51,360		51,360
Registrations	16,225		16,225
Interest income	3,714		3,714
Loss on disposal of equipment	(1,143)		(1,143)
Tenant improvements refund	<u>13,215</u>		<u>13,215</u>
Total operating public support and revenues	433,893	258,787	692,680
Net assets released from restrictions			
Satisfaction of purpose restrictions	234,575	(234,575)	
Operating expenses			
Program services	475,722		475,722
Supporting activities	<u>273,179</u>		<u>273,179</u>
Total expenses	<u>748,901</u>		<u>748,901</u>
INCREASE (DECREASE) IN NET ASSETS	(80,433)	24,212	(56,221)
Net assets at beginning of year	<u>246,969</u>	<u>378,421</u>	<u>625,390</u>
Net assets at end of year	<u><u>\$ 166,536</u></u>	<u><u>\$ 402,633</u></u>	<u><u>\$ 569,169</u></u>

The accompanying notes are an integral part of these statements.

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	Program Services			Supporting Activities				Total
	Member Services	Capacity Building	Policy and Advocacy	Total Program	Admin & Organizational Development	Fundraising	Total Supporting	
Salaries and wages	\$ 85,881	\$ 140,917	\$ 42,033	\$ 268,831	\$ 126,887	\$ 7,351	\$ 134,238	\$ 403,069
Benefits and payroll taxes	20,284	26,921	4,597	51,802	26,353	1,852	28,205	80,007
Office expenses	592	89	32	713	8,818		8,818	9,531
Printing and publications	763	2,281	7	3,051	1,615		1,615	4,666
Occupancy					23,203		23,203	23,203
Telephone	17,347	513		17,860	5,285		5,285	23,145
Insurance					4,793		4,793	4,793
Speaker fees								
Homeward Bound disbursements								
Pass through expenses								
Other conference expenses	10,997			10,997				10,997
Food & refreshments	19,131	251	227	19,609	1,093	1,750	2,843	22,452
Dues and subscriptions	2,050	527	2,449	5,026	1,216	119	1,335	6,361
Professional expenses	4,942	35,255	36,151	76,348	50,158	151	50,309	126,657
Travel	6,828	4,070	1,577	12,475	1,130		1,130	13,605
Depreciation	1,669	2,739	817	5,225	2,193	143	2,336	7,561
Advertising	1,025			1,025	2,032		2,032	3,057
Miscellaneous expenses	2,021	739		2,760	7,037		7,037	9,797
	<u>\$ 173,530</u>	<u>\$ 214,302</u>	<u>\$ 87,890</u>	<u>\$ 475,722</u>	<u>\$ 261,813</u>	<u>\$ 11,366</u>	<u>\$ 273,179</u>	<u>\$ 748,901</u>

The accompanying notes are an integral part of these statements.

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	Program Services			Supporting Activities				
	Member Services	Capacity Building	Policy and Advocacy	Total Program	Admin & Organizational Development	Fundraising	Total Supporting	Total
Salaries and wages	\$ 74,117	\$ 195,977	\$ 31,167	\$ 301,261	\$ 138,376	\$ 16,615	\$ 154,991	\$ 456,252
Benefits and payroll taxes	20,077	44,142	3,339	67,558	35,212	4,822	40,034	107,592
Office expenses	1,769	2,539	398	4,706	9,433	203	9,636	14,342
Printing and publications	1,180	1,968		3,148	8,568	2,236	10,804	13,952
Occupancy	3,063	8,099	1,288	12,450	5,719	687	6,406	18,856
Telephone	7,348	30,820		38,168	2,443		2,443	40,611
Insurance					4,910		4,910	4,910
Speaker fees	8,506	198		8,704				8,704
Homeward Bound disbursements	6,226			6,226				6,226
Pass through expenses	5,950	419,999		425,949	500		500	426,449
Other conference expenses	724	2,922		3,646				3,646
Food & refreshments	11,434	6,059	48	17,541	612		612	18,153
Dues and subscriptions	2,575	457	975	4,007	1,657		1,657	5,664
Professional expenses	5,546	115,590	22,260	143,396	38,786	1,701	40,487	183,883
Travel	4,120	8,858	113	13,091	2,303	68	2,371	15,462
Depreciation	767	2,028	323	3,118	1,432	172	1,604	4,722
Advertising					7,825	21	7,846	7,846
Miscellaneous expenses	912	1,791	20	2,723	7,831		7,831	10,554
	<u>\$ 154,314</u>	<u>\$ 841,447</u>	<u>\$ 59,931</u>	<u>\$ 1,055,692</u>	<u>\$ 265,607</u>	<u>\$ 26,525</u>	<u>\$ 292,132</u>	<u>\$ 1,347,824</u>

The accompanying notes are an integral part of these statements.

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (56,221)	\$ (348,005)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	7,561	4,722
Loss on disposal of equipment	1,143	
(Increase) decrease in assets:		
Grants and accounts receivable	(57,952)	(159,937)
Prepaid expenses	16,074	(17,571)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(9,891)	(23,789)
Deferred revenue	12,440	51,236
	<u>(86,846)</u>	<u>(493,344)</u>
Net cash used in operating activities	(86,846)	(493,344)
Cash flows from investing activities:		
Purchases of furniture and equipment	<u>(30,544)</u>	<u> </u>
Net cash used in investing activities	<u>(30,544)</u>	<u> </u>
Net decrease in cash	(117,390)	(493,344)
Cash at beginning of year	<u>502,923</u>	<u>996,267</u>
Cash at end of year	<u><u>\$ 385,533</u></u>	<u><u>\$ 502,923</u></u>

The accompanying notes are an integral part of these statements.

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Association

Indiana Association for Community Economic Development, Inc. ("IACED"), d/b/a Prosperity Indiana (the "Organization") supports a network of organizations that builds vital communities and resilient families. We advocate for public policies and assist the network in developing comprehensive solutions that engage local leadership to generate private and public investment.

In August 2017, the Organization formed a wholly-owned, single-member LLC entity called Prosperity Indiana Fund, LLC. The entity was formed to be a nondepository financial entity to primarily provide financial assistance to nonprofit entities in designated Investment Areas with the purpose of improving the economic capability of disinvested individuals and communities in the State of Indiana. There was no activity from this entity for the years ending December 31, 2018 and 2017.

The Organization seeks ways to fund members and their work, build and retain relationships, and address local to national issues impacting the capacity of members and their potential to deliver services and lead change in their communities. Comprehensive community development is collective impact because it builds on the strengths and potential of all parts of a community, from empowered individuals to entire sectors. The Organization has two classes of membership—voting membership for nonprofit organizations and associate membership for governmental organizations, private enterprises, quasi-governmental organizations, and individuals. The organization's work is evaluated through the lens of building capacity and capital across this network. As a statewide community economic development intermediary, the Organization serves as community builder and connector, capacity builder through training and technical assistance, advocate through education and policy engagement, and funder.

Member Services: Community building and connecting is the organization's work to network and unite members. The Organization uses a number of strategies to accomplish this, including the Organization's blog and social networks, the monthly newsletter Rebuilding Indiana Monthly, peer-to-peer networks, an annual conference and member convening. The Organization convenes and supports affinity groups to facilitate peer-to-peer learning. Members meet in subject area communities of practice to jointly identify opportunities and solve problems. Another way the Organization provides this type of connectivity amongst organizations is through its program management of the Indiana Assets and Opportunity Network ("A&O"). A&O seeks to facilitate interconnectedness amongst organizations working to help families build assets in order to leverage additional momentum by working together and sharing knowledge and resources.

Policy and Advocacy: Advocacy and policy engagement are important parts of a successful community economic development framework. The Organization's advocacy work strengthens members by building relationships. It enhances members' skills and capacity to understand their own policy environments, large and small, and to communicate their values and priorities to their elected officials and program administrators. It enables front-line practitioners to have their voices heard in policy debates. The advocacy function organizes members and supporters around a policy agenda, builds and maintains strategic partnerships with allies to advance this agenda, and monitors and explains trends in policymaking to members.

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

1. Nature of Association - Continued

Capacity Building: Training and technical assistance are aligned services to build the capacity of community economic development practitioners and the organizations employing them. The Organization delivers a robust program of training for member organization staff and others in the community development field. Training topics address the diversity of technical and adaptive knowledge necessary to manage organizations, exercise leadership, and deliver outcomes. Technical assistance is long-term, one-on-one consulting support. Staff provide a depth of experience and knowledge. The Organization provides technical assistance in the following categorical areas: board governance, financial management, planning, program/project development and delivery, resource development, staff development, and staff management services. AmeriCorps members serve with Prosperity Indiana member organizations to provide capacity building support around integrating financial capability. Prosperity Indiana also acts as the statewide reseller of licenses for InsightVision, a cloud-based strategy management system that hosts the Organization's Outcomes Platform.

Funder: The Organization's role of funder and capital provider also includes efforts to secure New Market Tax Credits serving member projects, as well as leveraging its state and national partners and grant writing expertise to secure resources for members. Playing the role of connector and funder, the Organization serves as the fiscal agent and program manager for member initiatives to help launch innovation. The Organization is the statewide coordinator for payday alternative financial product delivered by local Community Loan Centers. Support includes helping these organizations raise lending capital.

2. Basis of Accounting

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

Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. While most gift instruments give the Organization's Board of Directors the right to vary the terms of the gift, this only allows for a limited right of modification and does not relieve the restrictions imposed by the donor. Accordingly, the net assets of the Organization are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. The board of directors has designated, from net assets without donor restrictions, net assets for an operating reserve, capital reserve, and board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

3. Cash and Cash Equivalents

The Organization's cash consists of checking, savings and money market accounts with three financial institutions. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. To date, there have been no losses on such accounts.

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Accounts Receivable

The Organization's policy for determining when receivables are past due is on a case-by-case basis. Amounts are considered uncollectible at the time management believes that satisfactory payment arrangements cannot be made. For the years ended December 31, 2018 and 2017, an allowance for uncollectible accounts is not deemed necessary.

5. Grants Receivable

Grants receivable includes reimbursements and unconditional promises to give, and is reported at net realizable value. All amounts are expected to be collected within one year, and none are considered uncollectible as of the years ended December 31, 2018 and 2017.

6. Property and Equipment

Property and equipment are stated at cost. Donated property and equipment is reflected as a contribution in the consolidated financial statements at its estimated fair market value. It is the Organization's policy to consider a donor restriction of or for long-lived assets satisfied when the asset is purchased and put into service. The Organization's capitalization policy is \$500 for assets purchased with an estimated useful life of 3 years or more. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years.

Expenditures for property and equipment and for renewals or betterments which extend the originally estimated economic life of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense. When an asset is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the Consolidated Statements of Activities. Projects in progress are not depreciated until the asset is placed into service.

7. Support and Revenue

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the financial year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Support funded by government grants is recognized as the Organization performs contracted services under grant agreements. Government grant revenue is recognized as earned when eligible expenses are incurred. Government grant expenditures are subject to audit and acceptance by the granting agency. Adjustments would be required for any disallowed expenditures.

Funding is primarily provided through government agencies, foundation grants, contributions and membership dues. The Organization also receives fees for member services such as strategic planning and consulting fees from tax credit projects. Revenue from fees for services is recognized when earned.

**Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Concentration of Risk

The Organization receives a significant portion of its support and revenue from various sources. The percentage of support and revenue received from those sources is as follows:

	2018	2017
Funding sources:		
IN Housing & Community Development Authority	11%	11%
Lilly Endowment, Inc.	32%	18%
JP Morgan Chase Foundation	0%	27%
CareSource	14%	0%

9. Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities. Accordingly, certain indirect costs have been allocated among programs and other activities based on percentages of staff time spent.

10. Tax Status

The Organization recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Organization has examined this issue and has determined there are no material contingent tax liabilities.

The Organization's federal and state exempt organization tax returns for 2015, 2016, and 2017 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. Returns are generally subject to examination for three years after they are filed.

11. Use of Estimates

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

NOTE B - OPERATING LEASES

The Organization rented office space under a sublease agreement with Local Initiatives Support Corporation ("LISC"). The sub-lease was a five-year agreement that expired October 31, 2017. Rental payments were due on the first day of each month, at a rate of \$1,382. On November 1, 2017, the Organization amended the original agreement to extend the lease on a month-to-month basis at a monthly rate of \$1,382 per month. In May 2018, the Organization entered into a lease agreement for office space expiring in November 2025. Minimum office space lease payments are \$19.60 per square foot per year until May 2019 and increase by \$.040 per square foot per year every 12 months thereafter. Future minimum lease payments are as follows.

**Indiana Association for Community Economic Development, Inc.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE B - OPERATING LEASES - Continued

Year ending December 31, 2019	\$	31,495
2020		32,131
2021		32,766
2022		33,401
2023		34,036
	\$	163,829

Total rent expense for the years ended December 31, 2018 and 2017 was \$15,504 and \$18,856, respectively.

NOTE C - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31, 2018 and 2017:

	2018		2017
Purpose restrictions accomplished:			
Member Services			
Community membership	\$ 5,000		
Capacity Building			
Integrating Financial Capability	4,941	\$	73,900
City of Anderson Quality of Life Plan	16,147		10,213
AmeriCorps	112,442		36,762
Capacity building and training	9,419		9,308
Outcomes Platform salary assistance			15,000
Community Loan Center expansion	13,931		
Neighborhood Spotlight			53,988
Midwest Asset Building Conference			9,583
What It's Worth discussions			6,000
SUN Program			498,481
Outcomes Platform development	6,737		17,042
Policy and Advocacy			
Consumer protections campaign	30,674		29,230
Administration and Organization Development			
Branding and marketing			37,497
Office relocation and leadership transition	35,284		
	\$ 234,575		\$ 797,004

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE D - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specific purpose:		
Member Services		
Community membership		\$ 5,000
Capacity Building		
Integrating Financial Capability	\$ 6,646	10,896
City of Anderson Quality of Life Plan		13,866
Community Development Financial Institution Certification	9,385	10,076
AmeriCorps		33,936
Capacity building and training		1,419
Outcomes Platform development	13,221	19,958
Community Loan Center expansion	256,069	270,000
Empower Indiana grant	100,000	
Policy and Advocacy		
Consumer Protections Campaign	2,596	13,270
Administration and Organization Development		
Office relocation and leadership transition	<u>14,716</u>	
	<u>\$ 402,633</u>	<u>\$ 378,421</u>

NOTE E - LIQUIDITY

The Organization has financial assets available within one year of the Consolidated Statements of Financial Position date consisting of the following:

	<u>2018</u>	<u>2017</u>
Cash	\$ 385,533	\$ 502,923
Accounts receivable	<u>26,995</u>	<u>13,737</u>
	<u>\$ 412,528</u>	<u>\$ 516,660</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Consolidated Statements of Financial Position date. The Organization has a goal to maintain cash on hand to meet 180 days of its normal operating budget, approximately \$372,000.

NOTE F - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 30, 2019, which is the date these consolidated financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2018, have been incorporated into these consolidated financial statements herein.

Indiana Association for Community Economic Development, Inc.
dba Prosperity Indiana and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE G - CHANGE IN ACCOUNTING PRINCIPLE

During 2018, the Organization adopted FASB 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. ASU 2016-14 has been implemented and adjustments have been made to the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented and caused no changes in the classification of net assets.