

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.**

d/b/a PROSPERITY INDIANA

FINANCIAL REPORT

December 31, 2016



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Indiana Association for Community
Economic Development, Inc.
d/b/a Prosperity Indiana
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Indiana Association for Community Economic Development, Inc. d/b/a Prosperity Indiana (the "Organization"), which comprise the statements of financial position as of December 31, 2016 and 2015, the related statements of activities, functional expenses, and cash flows for the years 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT - continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2016 and 2015, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Pile CPAs

Indianapolis, Indiana
July 31, 2017

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 996,267	\$ 465,777
Grants receivable	39,601	50,500
Accounts receivable	10,406	36,526
Prepaid expenses	6,305	15,687
	<u>1,052,579</u>	<u>568,490</u>
Assets held as fiscal agent:		
Cash and receivables - Statewide Conference	-	44,368
Cash advance IHEDA - Statewide Conference	-	20,000
	<u>-</u>	<u>64,368</u>
TOTAL CURRENT ASSETS	<u>1,052,579</u>	<u>632,858</u>
<u>PROPERTY AND EQUIPMENT</u>		
Office equipment (net of accumulated depreciation - 2016: \$42,742; 2015: \$36,009)	<u>11,722</u>	<u>15,840</u>
TOTAL ASSETS	<u>\$ 1,064,301</u>	<u>\$ 648,698</u>

See Notes to Financial Statements.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

STATEMENTS OF FINANCIAL POSITION - continued
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 42,573	\$ 18,010
Accounts payable IHEDA - Statewide Conference	-	20,000
Accrued expenses	32,133	25,931
Deferred revenue - member dues	<u>16,200</u>	<u>25,200</u>
TOTAL CURRENT LIABILITIES	<u>90,906</u>	<u>89,141</u>
<u>NET ASSETS</u>		
Unrestricted	256,751	308,883
Temporarily restricted:		
Grants and contributions	716,644	206,306
Statewide Conference	<u>-</u>	<u>44,368</u>
	<u>716,644</u>	<u>250,674</u>
TOTAL NET ASSETS	<u>973,395</u>	<u>559,557</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,064,301</u>	<u>\$ 648,698</u>

See Notes to Financial Statements.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

STATEMENTS OF ACTIVITIES

Year ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Grants	\$ 175,000	\$ 687,490	\$ 862,490
Contributions	10,895	-	10,895
Sponsorships	64,500	-	64,500
Member dues	72,900	-	72,900
Registrations	19,095	-	19,095
Homeward Bound Contributions	14,699	-	14,699
Fees	286,980	-	286,980
Interest income	2,504	-	2,504
Miscellaneous income	1,575	-	1,575
	<u>648,148</u>	<u>687,490</u>	<u>1,335,638</u>
SUPPORT AND REVENUE BEFORE RELEASE FROM RESTRICTIONS			
Release from restrictions	<u>221,520</u>	<u>(221,520)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>869,668</u>	<u>465,970</u>	<u>1,335,638</u>
<u>EXPENSES</u>			
Operating expenses:			
Member services	199,811	-	199,811
Capacity building	299,859	-	299,859
Policy and advocacy	64,834	-	64,834
Administration and organizational development	324,295	-	324,295
Fundraising	33,001	-	33,001
TOTAL EXPENSES	<u>921,800</u>	<u>-</u>	<u>921,800</u>
CHANGE IN NET ASSETS BEFORE FISCAL AGENT ACTIVITIES	(52,132)	465,970	413,838
<u>FISCAL AGENT ACTIVITIES</u>			
Statewide Conference income	-	-	-
Statewide Conference expenses	-	-	-
Renew Indianapolis income	-	-	-
Renew Indianapolis expenses	-	-	-
Release from restrictions	-	-	-
TOTAL FISCAL AGENT ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CHANGE IN NET ASSETS	(52,132)	465,970	413,838
<u>NET ASSETS</u>			
Beginning of year	<u>308,883</u>	<u>250,674</u>	<u>559,557</u>
End of year	<u>\$ 256,751</u>	<u>\$ 716,644</u>	<u>\$ 973,395</u>

See Notes to Financial Statements.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

STATEMENTS OF ACTIVITIES - continued
Year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Grants	\$ 182,500	\$ 251,000	\$ 433,500
Contributions	9,300	-	9,300
Sponsorships	18,500	-	18,500
Member dues	70,725	-	70,725
Registrations	15,584	-	15,584
Homeward Bound Contributions	16,823	-	16,823
Fees	282,041	-	282,041
Interest income	2,460	-	2,460
Miscellaneous income	-	-	-
	<u>597,933</u>	<u>251,000</u>	<u>848,933</u>
SUPPORT AND REVENUE BEFORE RELEASE FROM RESTRICTIONS			
Release from restrictions	<u>493,282</u>	<u>(493,282)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>1,091,215</u>	<u>(242,282)</u>	<u>848,933</u>
<u>EXPENSES</u>			
Operating expenses:			
Member services	211,038	-	211,038
Capacity building	639,869	-	639,869
Policy and advocacy	47,586	-	47,586
Administration and organizational development	264,418	-	264,418
Fundraising	19,365	-	19,365
	<u>1,182,276</u>	<u>-</u>	<u>1,182,276</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS BEFORE FISCAL AGENT ACTIVITIES	(91,061)	(242,282)	(333,343)
<u>FISCAL AGENT ACTIVITIES</u>			
Statewide Conference income	-	295	295
Statewide Conference expenses	(7,292)	-	(7,292)
Renew Indianapolis income	-	27,500	27,500
Renew Indianapolis expenses	(27,500)	-	(27,500)
Release from restrictions	<u>33,003</u>	<u>(33,003)</u>	<u>-</u>
TOTAL FISCAL AGENT ACTIVITIES	<u>(1,789)</u>	<u>(5,208)</u>	<u>(6,997)</u>
TOTAL CHANGE IN NET ASSETS	(92,850)	(247,490)	(340,340)
<u>NET ASSETS</u>			
Beginning of year	<u>401,733</u>	<u>498,164</u>	<u>899,897</u>
End of year	<u>\$ 308,883</u>	<u>\$ 250,674</u>	<u>\$ 559,557</u>

See Notes to Financial Statements.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31, 2016

	<u>Member Services</u>	<u>Capacity Building</u>	<u>Policy and Advocacy</u>	<u>Admin & Organizational Development</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and marketing	\$ 493	\$ 36	\$ 39	\$ 9,195	\$ -	\$ 9,763
Annual award expenses	6,153	-	-	-	-	6,153
Bad debt expense	-	-	-	-	-	-
Bank charges	958	289	-	673	49	1,969
Business insurance	-	-	-	3,860	-	3,860
Depreciation expense	1,990	2,364	610	3,694	431	9,089
Dues/subscriptions	3,475	200	36	692	225	4,628
Equipment repairs & maintenance	670	796	205	3,443	145	5,259
Facility rental	8,856	4,260	-	-	-	13,116
Food & refreshments	23,399	9,867	29	676	78	34,049
Homeward Bound disbursements	14,278	-	-	-	-	14,278
Janitorial	502	596	154	931	109	2,292
Miscellaneous expenses	58	76	-	-	-	134
Office supplies	326	1,509	-	2,946	53	4,834
Pass through expenses	-	-	-	-	-	-
Payroll taxes and benefits	23,802	28,360	7,317	44,062	5,167	108,708
Postage	373	792	108	924	-	2,197
Printing/copying	2,126	210	43	1,565	2,408	6,352
Professional fees	12,874	123,114	25,452	66,317	3,825	231,582
Rent	3,853	4,577	1,182	7,152	835	17,599
Salaries and wages	88,221	104,806	27,050	163,749	19,113	402,939
Staff development	487	6	300	3,394	-	4,187
Telephone/internet	2,600	3,089	797	4,826	563	11,875
Travel	4,317	14,912	1,512	2,440	-	23,181
Utilities	-	-	-	3,756	-	3,756
TOTAL	<u>\$ 199,811</u>	<u>\$ 299,859</u>	<u>\$ 64,834</u>	<u>\$ 324,295</u>	<u>\$ 33,001</u>	<u>\$ 921,800</u>

See Notes to Financial Statements.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

STATEMENTS OF FUNCTIONAL EXPENSES - continued
Year ended December 31, 2015

	<u>Member Services</u>	<u>Capacity Building</u>	<u>Policy and Advocacy</u>	<u>Admin & Organizational Development</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and marketing	\$ 7,287	\$ 18	\$ -	\$ 462	\$ -	\$ 7,767
Annual award expenses	-	-	-	-	-	-
Bad debt expense	-	-	-	3,200	-	3,200
Bank charges	197	91	-	643	-	931
Business insurance	-	-	-	3,828	-	3,828
Depreciation expense	3,342	2,285	151	4,046	291	10,115
Dues/subscriptions	3,289	-	50	95	-	3,434
Equipment repairs & maintenance	981	672	44	1,188	86	2,971
Facility rental	-	1,150	-	-	-	1,150
Food & refreshments	1,674	5,807	151	868	-	8,500
Homeward Bound disbursements	16,416	-	-	-	-	16,416
Janitorial	757	518	34	917	66	2,292
Miscellaneous expenses	505	-	-	980	-	1,485
Office supplies	347	965	-	2,506	-	3,818
Pass through expenses	1,900	328,115	-	-	-	330,015
Payroll taxes and benefits	33,605	22,994	1,520	40,833	2,928	101,880
Postage	-	416	-	1,231	-	1,647
Printing/copying	280	914	18	1,515	2,977	5,704
Professional fees	(722)	174,531	39,015	30,934	1,600	245,358
Rent	5,245	3,587	237	6,350	457	15,876
Salaries and wages	121,193	82,876	5,467	146,735	10,574	366,845
Staff development	520	-	-	4,547	-	5,067
Telephone/internet	4,424	3,025	200	5,356	386	13,391
Travel	9,798	11,905	699	4,428	-	26,830
Utilities	-	-	-	3,756	-	3,756
TOTAL	<u>\$ 211,038</u>	<u>\$ 639,869</u>	<u>\$ 47,586</u>	<u>\$ 264,418</u>	<u>\$ 19,365</u>	<u>\$ 1,182,276</u>

See Notes to Financial Statements.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

STATEMENTS OF CASH FLOWS

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 413,838	\$ (340,340)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,089	10,115
Changes in assets and liabilities:		
(Increase) decrease in:		
Cash - Statewide Conference	44,368	6,996
Grants and accounts receivable	37,019	(60,561)
Prepaid expense	9,382	(13,837)
Increase (decrease) in:		
Accounts payable and accrued liabilities	30,765	5,899
Deferred revenue	(9,000)	(11,600)
Net cash provided by (used in) operating activities	535,461	(403,328)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(4,971)	(3,015)
Net cash provided by (used in) investing activities	(4,971)	(3,015)
Increase (decrease) in cash	530,490	(406,343)
<u>CASH</u>		
Beginning of year	465,777	872,120
End of year	\$ 996,267	\$ 465,777

See Notes to Financial Statements.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

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.

The Organization supports a vision of society where all persons have the opportunity to live and work in an environment that provides economic and social opportunity. 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.

The Organization performs its services within the framework of comprehensive community development, believing that complex problems can only be solved by cross-sector strategy engaging sectors - collective impact. 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.

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.
d/b/a PROSPERITY INDIANA**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES- continued

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.

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 backbone organization for Homeward Bound: Indiana's 5K Walk Series to Provide Housing and Fight Homelessness, provided as a member service. Homeward Bound has raised more than \$3.9 million for affordable housing and homeless services since its creation in 2003. The Solar Uniting Neighbors ("SUN") For All program was developed by the Organization with funding from a mitigation settlement award provided by American Electric Power and Duke Energy. 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.

Significant accounting policies are listed below:

A. Basis of Accounting

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

These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence, or absence of, donor-imposed restrictions in conformity with accounting principles generally accepted in the United States of America. This has been done by classification of transactions and balances into three categories of net assets: unrestricted net assets which have no donor-imposed restrictions, temporarily restricted net assets which have donor-imposed restrictions that will expire in the future, and permanently restricted net assets which have donor-imposed restrictions which do not expire. Currently, the Organization has no permanently restricted net assets.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES- continued

B. Cash

Cash consists of checking, savings and money market accounts. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to the maximum amount prescribed by law per institution. The balances, at times, may exceed federally insured limits. At December 31, 2016 and 2015, the Organization had balances in excess of the FDIC insured limit.

C. 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, 2016 and 2015, an allowance for uncollectible accounts is not deemed necessary.

D. 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, 2016 and 2015.

E. Property and Equipment

The Organization capitalizes expenditures for purchased property and equipment at cost. Donated property and equipment is reflected as a contribution in the 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.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the equipment range from three to five years. The Organization's capitalization policy is \$500 with a life of three or more years.

F. Support and Revenue

All contributions of cash and other assets are considered to be available for unrestricted use unless the donor specifically restricts the use.

A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Restricted contributions and grants are presented as temporarily restricted revenue. Upon expiration of a donor-imposed restriction, the contributions or grants are reclassified to unrestricted net assets.

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.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES- continued

F. Support and Revenue - continued

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.

G. 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:

<u>Funding Sources</u>	<u>2016</u>	<u>2015</u>
Duke Energy- Solar Uniting Neighbors	37%	0%
IN Housing & Community Dev. Authority	11%	18%
JP Morgan Chase Foundation	0%	12%
Lilly Endowment	17%	21%

H. Functional Allocation of Expenses

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

I. Tax Status

The Organization is exempt from federal and state income taxes on its related activities under Internal Revenue Service Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been made.

The Organization files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempt status and the taxability of any unrelated business income. The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities.

J. Use of Estimates

The preparation of 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES- continued

K. Evaluation of Subsequent Events

The Organization's management has evaluated subsequent events through July 31, 2017, which is the date the financial statements were available to be issued.

NOTE 2 COMMITMENTS

The Organization rents its office space under a sublease agreement with Local Initiatives Support Corporation ("LISC"). The sub-lease is a five-year agreement that expires October 31, 2017. Rental payments are due on the first day of each month, in the following amounts: \$1,253 per month through October 31, 2014, \$1,316 per month from November 1, 2014 through October 31, 2016, and \$1,382 per month from November 1, 2016 through October 31, 2017.

Total rent expense for the years ended December 31, 2016 and 2015 was \$17,599 and \$15,876, respectively.

Future minimum lease payments as of December 31, 2016 are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 13,818
2018	-
2019 and thereafter	-
	<u>\$ 13,818</u>

NOTE 3 NET ASSETS

The grants from Lilly Endowment are for general operating support and are classified as unrestricted but designated for operations. The Organization was the fiscal agent for the Statewide Conference and that relationship officially ended during 2016. These funds are for programs shared with other exempt organizations and are segregated from other unrestricted funds.

Net assets consisted of the following:

	<u>2016</u>	<u>2015</u>
Unrestricted:		
Undesignated	\$ <u>256,751</u>	\$ <u>308,883</u>

**INDIANA ASSOCIATION FOR COMMUNITY
ECONOMIC DEVELOPMENT, INC.
d/b/a PROSPERITY INDIANA**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3 NET ASSETS - continued

Temporarily restricted:	<u>2016</u>	<u>2015</u>
Grants and contributions:		
Central Indiana Community Foundation ("CICF")	\$ 50,872	\$ 60,623
Lilly Endowment - 2016 Supplemental	37,497	-
Leadership Conference on Civil and Human Rights	10,000	-
Leadership Conference Education Fund	30,000	-
CFED	6,000	-
Vectren Foundation	24,079	-
Duke Energy - Solar Uniting Neighbors	498,481	-
PNC Foundation	4,199	4,199
INHP	1,528	1,528
JP Morgan Chase Foundation	<u>53,988</u>	<u>139,956</u>
	<u>716,644</u>	<u>206,306</u>
Fiscal Agent:		
Statewide Conference	<u>-</u>	<u>44,368</u>
 Total temporarily restricted	 <u>\$ 716,644</u>	 <u>\$ 250,674</u>