

**NEIGHBORHOOD DEVELOPMENT FUND
Not-for-Profit Transmittal and Approval Form**

Applicant/Program: Highland Community Ministries, Inc.

Executive Summary of Request:

Request for \$7000.00 NDF for Meals on Wheels and HCC Nutrition Site. These funds will cover cost for meals not covered by KIPDA for those that are in the Highland Community Ministries area.

Is this program/project a fundraiser?

Yes No

Is this applicant a faith based organization?

Yes No

Does this application include funding for sub-grantee(s)?

Yes No

I have reviewed the attached Neighborhood Development Fund Application and have found it complete and within Metro Council guidelines and request approval of funding in the following amount(s). I have read the organization's statement of public purpose to be furthered by the funds requested and I agree that the public purpose is legitimate. I have also completed the disclosure section below, if required.

8
District #


Council Member Signature

\$7000.00
Amount

1-4-2016
Date

Primary Sponsor Disclosure

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

Approved by:

Appropriations Committee Chairman

Date

Clerk's Office Only:

Request Amount: _____ Committee Amended Appropriation: _____

Original Appropriation: _____ Council Amended Appropriation: _____

**LOUISVILLE METRO COUNCIL
NEIGHBORHOOD DEVELOPMENT FUND APPLICATION CHECKLIST**

Legal Name of Applicant Organization: Highland Community Ministries, INC.

Program Name and Request Amount: HCM Meals on Wheels and HCC Nutrition Site

| | Yes/No/NA |
|--|------------------------------|
| Is the NDF Transmittal Sheet Signed by all Council Member(s) Appropriating Funding? | <input type="checkbox"/> Yes |
| Is the funding proposed by Council Member(s) less than or equal to the request amount? | <input type="checkbox"/> Yes |
| Is the proposed public purpose of the program viable and well-documented? | <input type="checkbox"/> Yes |
| Will all of the funding go to programs specific to Louisville/Jefferson County? | <input type="checkbox"/> Yes |
| Has Council or Staff relationship to the Agency been adequately disclosed on the cover sheet? | <input type="checkbox"/> Yes |
| Has prior Metro Funds committed/granted been disclosed? | <input type="checkbox"/> Yes |
| Is the application properly signed and dated by authorized signatory? | <input type="checkbox"/> Yes |
| Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included? | <input type="checkbox"/> Yes |
| If Metro funding is for a separate taxing district is the funding appropriated for a program outside the legal responsibility of that taxing district? | <input type="checkbox"/> N/A |
| Is the entity in good standing with: <ul style="list-style-type: none"> • Kentucky Secretary of State? • Louisville Metro Revenue Commission? • Louisville Metro Government? • Internal Revenue Service? • Louisville Metro Human Relations Commission? | <input type="checkbox"/> Yes |
| Is the current Fiscal Year Budget included? | <input type="checkbox"/> Yes |
| Is the entity's board member list (with term length/term limits) included? | <input type="checkbox"/> Yes |
| Is recommended funding less than 33% of total agency operating budget? | <input type="checkbox"/> Yes |
| Does the application budget reflect only the revenue and expenses of the project/program? | <input type="checkbox"/> Yes |
| Is the cost estimate(s) from proposed vendor (if request is for capital expense) included? | <input type="checkbox"/> Yes |
| Is the most recent annual audit (if required by organization) included? | <input type="checkbox"/> Yes |
| Is a copy of Signed Lease (if rent costs are requested) included? | <input type="checkbox"/> N/A |
| Is the Supplemental Questionnaire for churches/religious organizations (if requesting organization is faith-based) included? | <input type="checkbox"/> Yes |
| Are the Articles of Incorporation of the Agency included? | <input type="checkbox"/> Yes |
| Is the IRS Form W-9 included? | <input type="checkbox"/> Yes |
| Is the IRS Form 990 included? | <input type="checkbox"/> Yes |
| Are the evaluation forms (if program participants are given evaluation forms) included? | <input type="checkbox"/> N/A |
| Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required to do so)? | <input type="checkbox"/> N/A |
| Has the Agency agreed to participate in the BBB Charity review program? If so, has the applicant met the BBB Charity Review Standards? | <input type="checkbox"/> N/A |
| Prepared by: | Date: 1-5-2016 |

Organization ID # 0022972
State of origin KY
Filing fee \$15.00

Commonwealth of Kentucky

Alison Lundergan Grimes, Secretary of State



Alison Lundergan Grimes
Secretary of State
P. O. Box 1150
Frankfort, KY 40602-1150
(502) 564-3490
<http://www.sos.ky.gov>

2016 Annual Report Due June 30, 2016

ARP

Exact organization name and principal office address

HIGHLANDS COMMUNITY MINISTRIES, INC.
1228 E. BRECKINRIDGE ST.
BOX #2
LOUISVILLE KY 40204

The principal office address and registered agent name/office address cannot be changed on this form. You can file online at app.sos.ky.gov/ftsearch or forms can be downloaded from our website.

Registered Agent and Registered Office Address

TROY BURDEN
1140 CHEROKEE RD.
LOUISVILLE, KY 40204

Principal Officers - List the name, address and title of all current officers. All organizations must list at least one (1) officer, even in the case of a sole officer. If not specified, officer addresses default to the principal office address. Corporations are required to list a Secretary or other officer serving as records custodian

| | | |
|----------------|------------------------|-------|
| President | <u>PATRICIA WILLIS</u> | _____ |
| Secretary | <u>LAURI WADE</u> | _____ |
| Treasurer | <u>LAURI WADE</u> | _____ |
| Vice President | <u>MARY KAY FLEGE</u> | _____ |

Directors - Non-profit corporations must have at least three (3) directors. All directors of the non-profit must be listed. If not specified, director addresses default to the principal office address.

| | | |
|----------------------------|-------|-------|
| <u>MARTY HAGEMAN</u> | _____ | _____ |
| <u>KEVIN CHILDRESS</u> | _____ | _____ |
| <u>RALPH RISIMINI</u> | _____ | _____ |
| <u>MAUREEN NORRIS, PHD</u> | _____ | _____ |
| <u>ERIC HOFFMANN</u> | _____ | _____ |

| | | | |
|----------|--|------------------|-----------------|
| X | _____ | _____ | _____ |
| | Signature of officer or chairman of the board (Required) | Title (Required) | Date (Required) |

TO AVOID A PENALTY FEE OF \$100, SAVE TIME, FILE ONLINE: <http://app.sos.ky.gov/arp/0022972> OR sign and return to the Office with the required \$15.00 filing fee no later than June 30, 2016

To file via mail:

- Confirm the information is correct.
- Make changes by writing on this annual report, or by submitting an attachment with the signed report.
- The signed annual report, any attachments and filing fee (payable to the Kentucky State Treasurer) **must be received in the Office by June 30, 2016**
- If filing online, do not return this annual report or submit payment.



Highlands Community Ministries

1228 East Breckinridge St. Louisville, KY 40204

HCM Central Office
Highlands Community Campus
1228 E. Breckinridge St. 40204
451-3695

Individual & Family Assistance
Program
Highlands Community Campus
1228 E. Breckinridge St. 40204
451-3626

Senior Services
Adult Day Health
St. Paul United Methodist
Church
2000 Douglass Blvd. 40205
459-4887

Senior Services
Outreach Programs at
Highlands Community Campus
1228 E. Breckinridge St. 40204
459-0132

Senior Services
Schaffer Enrichment Senior
Center
2024 Woodford Place 40205
485-0850

Highlands Court Apartments
1720 Richmond Dr. 40205
454-7395

Childcare at
St. Paul United Methodist
Church
2000 Douglass Blvd. 40205
458-3045

Childcare at
Douglass Blvd Christian Church
2005 Douglass Blvd. 40205
458-3045

Childcare at
Eastern Star Court
917 Eastern Star Ct. 40204
458-8723

Highlands Youth Recreation
1228 E. Breckinridge St. 40204
384-7632

www.hcmlouisville.org

TO: Councilman Tom Owen

FROM: Troy Burden

SUBJECT: NDF for Nutrition Site and Meals on Wheels

DATE: December 18, 2015

Please find enclosed the application for NDF funding for January – June, 2015.

HCM is looking to open a lunch program for low income residents and seniors at our Highlands Community Campus. We are also seeking assistance paying for meals on wheels for those low income seniors who qualify for assistance but are not yet funded by KIPDA.

HCM's mission is to build community through programs and activities that promote human and spiritual growth. Taking care of the nutritional needs of our home bound seniors and other neighbors who are elderly, low income, or disabled, fits perfectly within our mission.

The lunch program at Highlands Community Campus will hopefully be funded by KIPDA and Metro Senior Nutrition next fiscal year. In the mean time, HCM is hoping that we can obtain NDF funds to get this project up and running. We anticipate feeding 25 folks 2 days per week. We have been awarded a Gheens Foundation Grant to get the start up equipment and materials for this program.

If you have any questions or need additional information, please do not hesitate to contact me by phone at 502 420-8904 (cell) or by email at tburden@hcmlouisville.org.

Highlands Community Ministries, building community through programs and services that promote human and spiritual growth. Supported by 22 congregations in the Highlands.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION

Legal Name of Applicant Organization: Highlands Community Ministries, Inc.
Main Office Street & Mailing Address: 1228 E Breckinridge St, Louisville KY 40204
Website: www.hcmlouisville.org
Applicant Contact: Troy D. Burden, Title: Executive Director
Phone: 451-3695, Email: tburden@hcmlouisville.org
Financial Contact: John Moll, Title: Financial Director
Phone: 451-3695, Email: jmoll@hcmlouisville.org
Organization's Representative who attended NDF Training: John Moll, Financial Director

GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED

Program Facility Location(s): 1228 E Breckinridge St, Louisville KY 40204
Council District(s): Zip Code(s): 40204 and 40205

SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION

PROGRAM/PROJECT NAME: HCM Meals on Wheels and HCC Nutrition Site
Total Request: (\$) 7000.00 Total Metro Award (this program) in previous year: (\$) -0-

Purpose of Request (check all that apply):
[] Operating Funds (generally cannot exceed 33% of agency's total operating budget)
[] Programming/services/events for direct benefit to community or qualified individuals
[] Capital Project of the organization (equipment, furnishing, building, etc)

The Following are Required Attachments:

[] IRS Exempt Status Determination Letter
[] Current Year Projected Budget
[] List of Board of Directors (include term & term limits)
[] Current financial statement
[] Most recent IRS Form 990 or 1120-H
[] Articles of Incorporation
[] Cost estimates from proposed vendor if request is for capital expense
[] Signed lease if rent costs are being requested
[] IRS Form W9
[] Evaluation forms if used in the proposed program
[] Annual audit (if required by organization)
[] Faith Based Organization Certification Form, if required
[] Staff including the 3 highest paid staff

For the current fiscal year ending June 30, list all funds appropriated and/or received from Louisville Metro Government for this or any other program or expense, including funds received through Metro Federal Grants, from any department or Metro Council Appropriation (Neighborhood Development Funds). Attach additional sheet if necessary.

Table with 4 columns: Source, Program Name, Amount (\$), and Total. Row 1: HCSS (Sr Outreach), 35,000.00. Row 2: HCIF (Emergency Assistance), 42,100.00.

Has the applicant contacted the BBB Charity Review for participation? [] Yes [] No
Has the applicant met the BBB Charity Review Standards? [] Yes [] No

Applicant's Initials [Signature]



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 3 – AGENCY DETAILS

Describe Agency's Vision, Mission and Services:

The Mission of Highlands Community Ministries (HCM) is to build community through programs and activities that promote human and spiritual growth.

HCM meets in mission by providing services through the following programs:

Childcare Centers (3), Adult Day Health Care Center (1), Meals on Wheels, Shaffer Enrichment Senior Center, Senior Outreach Program (social services and community wellness activities), Highland Youth Recreation, Individual and Family Assistance Program (Emergency Financial Assistance, Dare to Care Food Pantry, Practical Education Classes, Back to School Supplies, Thanksgiving and Christmas baskets), Highlands Community Campus, and (in partnership with Bellarmine University) Highlands Court (HUD Section 8 Low Income Housing for Seniors and Disabled).



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 4 – PROGRAM/PROJECT NARRATIVE

A: Describe the program/project start and end dates, a description of the program/project and applicable data with regards to specific client population the program will address (attach related flyers, planning minutes, designs, event permits, proposals for services/goods, etc.):

Meals on Wheels. HCM is paying out of its operating funds for seniors who qualify (meet the needs assessment) for meals on wheels but do not have a "slot" for these services to be paid by KIPDA through Metro Nutrition contracts. HCM is paying \$4.12 per meal per day for these senior adults.

Highlands Community Campus Lunch Program. HCM would like to introduce a hot lunch program, served 2 times per week, at our community center. These meals would be open to not only senior adults, but our low income and disable adults who participate in our Individual and Family Assistance Program. It is anticipated that next financial year, that the senior adult meals would be added to our Metro Senior Nutrition contract, which would start in July 2016. NDF funds will allow us to start this program this winter, mid January, ordering from Mastersons Catering, who provides meals for meals on wheels and our adult day health care center. We estimate 24 participants for this program.

B: Describe specifically how the funding will be spent including identification of funding to sub grantee(s):

Meals on Wheels: HCM has average paying for meals on wheels not covered by KIPDA for the last 6 months of \$1482.00. We anticipate the same volume for the next 6 months. Price per meal from Mastersons is \$4.12. Current staff would monitor this program and no additional staffing costs are expected.

Highlands Community Campus Lunch Program: HCM anticipates that for 25 weeks, with 24 participants a day (2 days a week), the food costs will be \$4944.00. We would need cleaning supplies and paper products of totalling \$574.00. Current staff would start program and no additional staffing costs are expected. We also hope to have volunteers to assist with the program.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

C: If this request is a fundraiser, please detail how the proceeds will be spent:

n/a

D: For Expenditure Reimbursement Only – The grant award period begins with the Metro Council approval date and ends on June 30 of Metro fiscal year in which the grant is approved. If any part of this funding request is for funds to be spent before the grant award period, identify the applicable circumstances:

Effective October 24, 2013, reimbursements should not be made unless an emergency can be demonstrated by the primary council sponsor. The funding request is a reimbursement of the following expenditures (attach invoices or proof of payment):

- ✓ Attach a copy of invoices and/or receipts to provide proof of purchase of activities associated with the work plan identified in this application.
- ✓ Attach a copy of cancelled checks to provide proof of payment of the invoices or receipts associated with the work plan identified in this application.

The funding request is a reimbursement of the following expenditures that will probably be incurred after the application date, but prior to the execution of the grant agreement:

- ✓ If selecting this option, the invoice, receipt and payment documentation should not be available as of the date of this application.

The Grantee will be required to submit financial reporting in accordance with the reporting schedule provided in the grant agreement.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

E: Describe the program's benefits to those being served (measurable outcomes). Include the program's process for collecting data and the indicators that will be tracked to measure the benefits to those being served:

Meals on Wheels: Home delivered meals to frail senior adults in our 40204 and 40205 service area will continue. Client who qualify for these services on their needs based assessment will continue to be served without negatively impacting the HCM operation budget as we wait on funds to cover these costs from KIPDA.

Highlands Community Campus Lunch Program: Seniors and Disabled and Low Income adults will have access 2 times per week to hot lunches that will meet 1/3 of their daily nutritional requirement. Eating together will promote community and decrease social isolation.

F: Briefly describe any existing collaborative relationships the organization has with other community organizations. Describe what those partners are bringing to the relationship in general and to this program/project specifically.

HCM works with Metro senior nutrition primarily for meals on wheels as well as KIPDA. HCM works with the Association of Community Ministries to secure emergency financial assistance for clients from the Louisville Water Co and Louisville Gas & Electric.

HCM partners with Metro Louisville as well for Emergency Financial Assistance and Senior Outreach Programs.

HCM partner with its 22 congregations in the 40204 and 40205 zip codes to provide our board of directors as well as financial support.



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 5 – PROGRAM/PROJECT BUDGET SUMMARY

THE PROGRAM/PROJECT BUDGET SHOULD REALISTICALLY ESTIMATE WHAT AMOUNT IS NEEDED FROM METRO GOVERNMENT AND WHAT IS EXPECTED FROM OTHER SOURCES.


| Program/Project Expenses | Column 1 | Column 2 | Column (1+2)=3 |
|--|----------------------|-----------------|----------------|
| | Proposed Metro Funds | Non-Metro Funds | Total Funds |
| A: Personnel Costs Including Benefits | | | |
| B: Rent/Utilities | | | |
| C: Office Supplies | | | |
| D: Telephone | | | |
| E: In-town Travel | | | |
| F: Client Assistance (Attach Detailed List) | | | |
| G: Professional Service Contracts | | | |
| H: Program Materials | 7000 | 15000 | 22000 |
| I: Community Events & Festivals (Attach Detail List) | | | |
| J: Machinery & Equipment | | | |
| K: Capital Project | | | |
| L: Other Expenses (Attach Detail List) | | | |
| *TOTAL PROGRAM/PROJECT FUNDS | 7000 | 15000 | 22000 |
| | % | % | 100% |

List funding sources for total program/project costs in Column 2, Non-Metro Funds:

| | |
|---|--|
| Other State, Federal or Local Government | |
| United Way | |
| Private Contributions (do not include individual donor names) | |
| Fees Collected from Program Participants | |
| Other (please specify) | |
| | |

*Total of Column 1 MUST match "Total Request on Page 1, Section 2"

**Must equal or exceed total in column 2.

Applicant's Initials 



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail of In-Kind Contributions for this PROGRAM only: Includes Volunteers, Space, Utilities, etc. (Include anything not bought with cash revenues of the agency).

| Donor*/Type of Contribution | Value of Contribution | Method of Valuation |
|---|-----------------------|---------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| <i>Total Value of In-Kind</i> (to match Program Budget Line Item. Volunteer Contribution & Other In Kind) | | |

* DONOR INFORMATION REFERS TO WHO MADE THE IN KIND CONTRIBUTION. VOLUNTEERS NEED NOT BE LISTED INDIVIDUALLY, BUT GROUPED TOGETHER ON ONE LINE AS A TOTAL NOTING HOW MANY HOURS PER PERSON PER WEEK

Agency Fiscal Year Start Date: 10/01/20015

Does your Agency anticipate a significant increase or decrease in your budget from the current fiscal year to the budget projected for next fiscal year? NO YES

If YES, please explain:

Applicant's Initials



LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 6 – CERTIFICATIONS & ASSURANCES

By signing Section 7 of the Grant Application, the authorized official signing for the applicant organization certifies and assures to the best of his or her knowledge and/or belief the following Assurances and Certifications. If there is any reason why one or more of the assurances or certifications listed cannot be certified or assured, please explain in writing and attach to this application.

Standard Assurances

1. Applicant understands this application and its attachments as well as any resulting grant agreement, reports and proof of expenditure is subject to Kentucky's open records law.
2. Applicant will establish safeguards to prohibit employees or any person that receives compensation from awarded funds from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
3. Applicant and any sub grantee will give Louisville Metro Government access to and the right to examine all paper or electronic records related to the awarded grant for up to five years of the grant agreement date.
4. Applicant assures compliance with the grant requirements and will monitor the performance of any third party (sub-grantee).
5. The Agency is in good standing with the Kentucky Secretary of State, Louisville Metro Government, the Jefferson County Revenue Commission, the Internal Revenue Service, and the Louisville Metro Human Relations Commission.
6. Applicant understands failure to provide the services, programs, or projects included in the agreement will result in funds being withheld or requested to be returned if previously disbursed.
7. Applicant understands they must return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end.
8. Applicant understands they must provide proof of all expenditures (canceled checks, receipts, paid invoices). The Applicant understands the failure to provide proof of expenditures as required in the grant agreement could result in funding being withheld or request to be returned if previously disbursed.
9. Applicant understands if this application is approved, the grant agreement will identify an award period that begins with the Metro Council approval date, and will end with: June 30 of the fiscal year in which the grant is approved. Expenditures associated with this award expected to occur prior to the award period (approval date) must be disclosed in this application in order to be considered compliant with the grant agreement.
10. Applicant understands if we choose to incur expenditures prior to the approval of the application by the Metro Council, there is no guarantee that funding will be reimbursed, as the Council may choose not to award the application.
11. Applicant understands if the grant agreement is not returned to Louisville Metro within 90 days of its mailing to the applicant, the approval is automatically revoked.

Standard Certifications

1. The Agency certifies it will not use Louisville Metro Government funds for any religious, political or fraternal activities.
2. The Agency has a written Affirmative Action/Equal Opportunity Policy.
3. The Agency does not discriminate in employment or in provision of any service/program/activity/event based on age, color, disabled status, national origin, race, religion, sex, gender identity or sexual orientation, or Vietnam era veteran status.
4. The Agency certifies it will not require clients, recipients, or beneficiaries to participate in religious, political, fraternal or like activities in order to receive services/benefits provided with Louisville Metro Government funds.
5. The Agency understands the Americans with Disabilities Act (ADA) and makes reasonable accommodations.

Relationship Disclosure: List below any relationship you or any member of your Board of Directors or employees has with any Councilperson, Councilperson's family, Councilperson's staff or any Louisville Metro Government employee.

SECTION 7 – CERTIFICATIONS & ASSURANCES

I certify under the penalty of law the information in this application (including, without limitation, "Certifications and Assurances") is accurate to the best of my knowledge. I am aware my organization will not be eligible for funding if investigation at any time shows falsification. If falsification is shown after funding has been approved, any allocations already received and expended are subject to be repaid. I further certify that I am legally authorized to sign this application for the applying organization and have initialed each page of the application.

Signature of Legal Signatory:

Date: 12/07/2015

Legal Signatory: (please print):

Troy D. Burden

Title: Executive Director

Phone: 451-3695

Extension:

Email: tburden@hcmloouisville.org

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

| | | | |
|---|--|--|---|
| Print or type See Specific Instructions on page 2. | 1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Highlands Community Ministries, Inc. | | |
| | 2 Business name/disregarded entity name, if different from above | | |
| | 3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____ | | 4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small> |
| | 5 Address (number, street, and apt. or suite no.) 1228 East Breckinridge | | Requester's name and address (optional) |
| | 6 City, state, and ZIP code Louisville KY 40204 | | |
| | 7 List account number(s) here (optional) | | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

| | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|
| Social security number | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> </tr> </table> | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| OR | | | | | | | | | | | | |
| Employer identification number | | | | | | | | | | | | |
| | | | | | | | | | | | | |

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

| | | |
|------------------|----------------------------|------------------------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ 12/18/15 |
|------------------|----------------------------|------------------------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Address any reply to:

Department of the Treasury

Phone 684-2826 (513)

District Director

Internal Revenue Service

Date:

APR 21 1971

In reply refer to:

CIN:EO:71:282:442:22:VB



▷ Highlands Community Ministries, Inc.
2006 Douglas Boulevard
Louisville, Kentucky 40205

Purpose(s): Charitable & Educational
Accounting Period Ending: December 31

Gentlemen:

Based on information supplied, we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code as it is shown that you are organized and will be operated exclusively for the purpose(s) listed above.

This determination assumes your operations will be as stated in your exemption application. Any changes in operations from those described, or in your character or purposes, must be reported immediately to our office for consideration of their effect upon your exempt status. You must also report any change in your name or address.

In this letter we are not determining whether you are a private foundation as defined in new section 509(a) of the Code. When regulations are developed to implement the provisions of section 509 of the Code, we will let you know how to establish your foundation status if you believe you are not a private foundation.

If upon issuance of the regulations we determine that you are a private foundation, you will be required to comply with the provisions of section 508(e), which specifies that a private foundation is not exempt unless its governing instrument includes certain provisions set forth in that section and the regulations thereunder. Failure to comply with the requirements of section 508(e) will result in retroactive revocation of this determination.

For years beginning on and after January 1, 1970, you may be required to file an information return, Form 990. Please refer to the instructions accompanying the Form 990 for that particular year to determine whether you are required to file. If filing is required, you must file the Form 990 by the 15th day of the fifth month after the close of your annual accounting period as shown above. Failure to file the Form 990 by this date may subject you to a penalty of \$10.00 for each day during which such failure continues, up to a maximum of \$5,000.00.

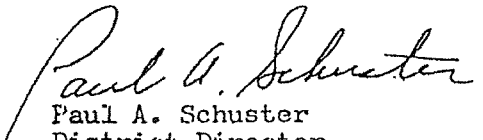
You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities is unrelated trade or business as defined in section 513 of the Code.

You are not liable for Federal unemployment taxes. You are liable for social security taxes only if you have filed waiver of exemption certificates as provided in the Federal Insurance Contributions Act.

Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to or for your use are deductible for Federal estate and gift tax purposes as provided under sections 2055, 2106, and 2522 of the Code.

This is a determination letter.

Very truly yours,


Paul A. Schuster
District Director

Internal Revenue Service

Department of the Treasury

District
Director

P.O. Box 2508, Cincinnati, OH 45201

▶ Highlands Community Ministries, Inc
1140 Cherokee Rd.
Louisville, KY 40204

Person to Contact:
Joseph Russo

Telephone Number:
(513) 684-3866

Refer Reply to:
EP/EO Division

Date:

OCT 10 1986

Dear Sir or Madam:

This is in response to your claim that you are not liable to file Form 990, Return of Organization Exempt from Income Tax.

Our records indicate that you are recognized as exempt under section 501(c)(3) of the Internal Revenue Code of 1954. Furthermore, you are classified as an organization that is not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

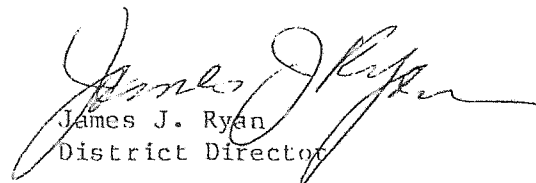
Revenue Procedure 86-23, in part, provides that an organization recognized as exempt under section 501(c)(3) of the Code which is affiliated with a church or an association of churches and internally supported is not required to file Form 990.

As your organization has provided information to show that you meet the requirements of Revenue Procedure 86-23, you are no longer required to file Form 990.

Please let us know about any future change in the name, address, character, or method of operation of your organization so we may determine the effects on your exempt status, foundation status, and filing requirements.

Thank you for your cooperation.

Sincerely yours


James J. Ryan
District Director

Highland Community Ministries

2015/2016 Budget

Summary Combined HCM Budget

| <u>DESCRIPTION</u> | <u>TOTAL BUDGET</u> |
|---|-------------------------|
| <u>Revenues</u> | |
| Eastern Star Day Care | 993,610 |
| St.Paul/Douglas Day Care | 1,361,818 |
| Adult Day Center | 225,814 |
| Senior Outreach | 218,585 |
| Individual & Family Assistance | 178,498 |
| Highland Youth Recreation | 67,270 |
| Program Revenues | <u>3,045,595</u> |
| Central Office | <u>177,780</u> |
| Total Revenue | <u><u>3,223,375</u></u> |
| | |
| <u>Expenses (includes mgt fee, but not cap. equip)</u> | |
| Eastern Star Day Care | 1,009,440 |
| St.Paul/Douglas Day Care | 1,364,849 |
| Adult Day Center | 225,478 |
| Senior Outreach | 257,029 |
| Individual & Family Assistance | 176,473 |
| Highland Youth Recreation | 58,876 |
| Program Expenses | <u>3,092,145</u> |
| Central Office | <u>284,264</u> |
| Totals | <u><u>3,376,409</u></u> |
| | |
| Excess/(Deficit) | -153,034 |

HCM Board 2015

| Congregation | Name | Address | Zip | Home | Work | Cell |
|-------------------------------------|---------------------|---|-------|----------|--------------|--------------|
| Bardstown Road Presbyterian | | | | | | |
| | Marty Hageman | 2027 Alta Ave vnmartyh@aol.com | 40205 | 451-1326 | | 299-3329 |
| Bellarmine Campus Ministry | | | | | | |
| | Dr. Maureen Norris | 2324 Woodford Pl mmorris@bellarmine.edu | 40205 | 454-4697 | | 548-1660 |
| Christ Evangelical UCC | | | | | | |
| | Wilma Westenhoefer* | 3030 Breckinridge Ln, #313 | 40220 | 499-5752 | | |
| Church of the Advent | | | | | | |
| | Mary Kay Flegge | 2322 Glenmary Ave mflegge@bellsouth.net | 40204 | 456-5289 | | 664-8560 |
| | Diane Feltham | 42 Warren Rd dfeltk@earthlink.net | 40206 | | | 377-0046 |
| Concordia Lutheran | | | | | | |
| | Rev Michael Boyd | 1127 E. Broadway revbboyd@gmail.com | 40204 | 585-4459 | 812-949-4722 | 812-725-6955 |
| | Ida Boyd | | | | | |
| Deer Park Baptist | | | | | | |
| | Tom Coursen | 1187 E. Broadway, #4 tcoursen@msn.com | 40204 | 581-0143 | | 819-8215 |
| | Joe Ammerman | 1888 Rutherford Ave jammerman@lwc.com | 40205 | 458-0235 | | |
| Douglass Boulevard Christian | | | | | | |
| | Maurice LeFevre | 8207 Fenwick Farm Pl mlfevre@bellsouth.net | 40220 | 671-0403 | | |
| | Karen O'Hara | 3016 Eagle Pass kohara@vzeqins.com | 40217 | 365-3323 | | 396-9732 |
| Highland Baptist | | | | | | |
| | Lee Cave | 2121 Baringer Ave leecave@lwc.com | 40204 | 744-8160 | | |
| | Robert Kahne | 1606 Lucia Ave #12 rkahne@gmail.com | 40204 | 608-1324 | | |
| Highland Presbyterian | | | | | | |
| | Lauri Wade | 1805 Rosewood Ave | 40204 | 458-4885 | | 552-4870 |

| St. Paul | | Fiscal Year Ending 9/30/2016 | | | FYE 9/30/2015 | |
|-----------------|------------------------------|------------------------------|----------------|----------------|------------------|----------------|
| Period End | 30-Nov-15 | Full Year | Month | Month | Full Year | Month |
| Prepared By | John Moll | | 2 | 2 | | 2 |
| Run Date | 12/14/15 | Budget | Pro Rata | Actual | Actual | Pro Rata |
| INCOME | | | | | | |
| multi | Total Congregation Giving | - | - | - | 2,000 | 333 |
| 530010/18 | FEES / Private Pay | 1,361,818 | 226,970 | 196,943 | 1,313,642 | 218,940 |
| 540400 | Annual Campaign | | | | | |
| 550011 | KIPDA IIIB Program Inc | | | | | |
| 550015 | Title IIIC Reimbursement | | | | | |
| 550017 | VA Funding | | | | | |
| 550018 | Metro Louisville Funding | | | | | |
| 550031 | Medicaid | | | | | |
| | Sub Total | 1,361,818 | 226,970 | 196,943 | 1,315,642 | 219,274 |
| | All other | - | - | 400 | 1,041 | 174 |
| | Total Revenue | 1,361,818 | 226,970 | 197,343 | 1,316,683 | 219,447 |
| EXPENSES | | | | | | |
| 600013 | Wages | 885,326 | 147,554 | 131,530 | 844,127 | 140,688 |
| 600014 | FICA | 67,727 | 11,288 | 9,182 | 59,510 | 9,918 |
| 600015 | Medical Insurance | 89,000 | 14,833 | 6,764 | 97,374 | 16,229 |
| 600024 | Life Insurance | 1,500 | 250 | 128 | 1,010 | 168 |
| | Other Payroll | - | - | - | - | - |
| | Payroll & Payroll Burden | 1,043,553 | 173,926 | 147,604 | 1,002,021 | - 167,004 |
| 603010 | Mgt Fee | 68,091 | 11,349 | 11,349 | 26,000 | 4,333 |
| 604000 | Insurance | 13,930 | 2,322 | 1,253 | 18,572 | 3,095 |
| 613510 | Housing | 43,200 | 7,200 | 7,200 | 38,240 | 6,373 |
| 613511 | Utilities | - | - | - | - | - |
| 613512 | Janitorial | - | - | 433 | 10,428 | 1,738 |
| 613513 | Building Management | 10,000 | 1,667 | - | 700 | 117 |
| 613517 | Grounds Maintenance | 10,000 | 1,667 | 1,927 | 229 | 38 |
| 615000 | Facility Improvement | - | - | - | 10,873 | 1,812 |
| 616000 | Equipment | 1,340 | 223 | - | 5,050 | 842 |
| 620010 | Food Supplies | 102,932 | 17,155 | 8,976 | 87,829 | 14,638 |
| 620012 | Advt / Marketing | - | - | - | - | - |
| 625010 | Programs | 26,400 | 4,400 | 3,545 | 24,131 | 4,022 |
| 625011 | Housekeeping | 4,000 | 667 | - | 20,654 | 3,442 |
| 625012 | Office | 5,000 | 833 | 216 | 5,507 | 918 |
| 650001 | Assistance 650001 -- 010 | - | - | - | - | - |
| | Subtotal | 284,893 | 47,482 | 34,900 | 248,213 | 41,369 |
| | All Other Expenses | 36,403 | 6,067 | 1,956 | 23,414 | 3,902 |
| | Total Expenses | 1,364,849 | 227,475 | 184,460 | 1,273,648 | 212,275 |
| | REVENUE LESS EXPENSES | (3,031) | (505) | 12,883 | 43,035 | 7,173 |

Eastern Star

Period End 30-Nov-15
 Prepared By John Moll
 Run Date 12/14/15

| Fiscal Year Ending 9/30/2016 | | | FYE 9/30/2015 | | |
|------------------------------|----------|--------|---------------|----------|--|
| Full Year | Month | Month | Full Year | Month | |
| Budget | Pro Rata | Actual | Actual | Pro Rata | |

INCOME

| | | | | | | |
|-----------|---------------------------|---------|---------|---------|---------|---------|
| multi | Total Congregation Giving | - | - | - | 2,000 | 333 |
| 530010/18 | FEES / Private Pay | 993,610 | 165,602 | 143,129 | 934,390 | 155,732 |
| 540400 | Annual Campaign | | | | | |
| 550011 | KIPDA IIIB Program Inc | | | | | |
| 550015 | Title IIIC Reimbursement | | | | | |
| 550017 | VA Funding | | | | | |
| 550018 | Metro Louisville Funding | | | | | |
| 550031 | Medicaid | | | | | |
| | Sub Total | 993,610 | 165,602 | 143,129 | 936,390 | 156,065 |
| | All other | - | - | 200 # | - | - |
| | Total Revenue | 993,610 | 165,602 | 143,329 | 936,390 | 156,065 |

EXPENSES

| | | | | | | |
|--------|--------------------------|------------------|----------------|----------------|----------------|----------------|
| 600013 | Wages | 652,537 | 108,756 | 97,318 | 645,754 | 107,626 |
| 600014 | FICA | 49,919 | 8,320 | 7,735 | 50,135 | 8,356 |
| 600015 | Medical Insurance | 47,484 | 7,914 | 3,609 | 55,131 | 9,189 |
| 600024 | Life Insurance | 816 | 136 | 70 | 778 | 130 |
| | Other Payroll | - | - | - | - | - |
| | Payroll & Payroll Burden | 750,756 | 125,126 | 108,732 | 751,798 | 125,300 |
| 603010 | Mgt Fee | 49,681 | 8,280 | 8,280 | 26,000 | 4,333 |
| 604000 | Insurance | 11,695 | 1,949 | 1,069 | 18,572 | 3,095 |
| 613510 | Housing | 1 | 0 | - | - | - |
| 613511 | Utilities | 14,000 | 2,333 | 1,090 | 13,397 | 2,233 |
| 613512 | Janitorial | 16,404 | 2,734 | 119 | 8,795 | 1,466 |
| 613513 | Building Management | 14,004 | 2,334 | 1,265 | 18,514 | 3,086 |
| 613517 | Grounds Maintenance | 5,904 | 984 | 1,200 | 5,277 | 880 |
| 615000 | Facility Improvement | 12,000 | 2,000 | - | 6,870 | 1,145 |
| 616000 | Equipment | - | - | 301 | 4,893 | 816 |
| 620010 | Food Supplies | 69,504 | 11,584 | 1,476 | 71,933 | 11,989 |
| 620012 | Advt / Marketing | 2,000 | 333 | - | - | - |
| 625010 | Programs | 34,240 | 5,707 | 3,778 | 29,751 | 4,959 |
| 625011 | Housekeeping | - | - | - | 15,517 | 2,586 |
| 625012 | Office | 7,020 | 1,170 | 118 | 6,434 | 1,072 |
| 650001 | Assistance 650001 -- 010 | - | - | - | - | - |
| | Subtotal | 236,453 | 39,409 | 18,696 | 225,953 | 37,659 |
| | All Other Expenses | 22,231 | 3,705 | 1,478 | 19,615 | 3,269 |
| | Total Expenses | 1,009,440 | 168,240 | 128,906 | 997,366 | 166,228 |

| | | | | | |
|------------------------------|----------|---------|----------|----------|----------|
| REVENUE LESS EXPENSES | (15,830) | (2,638) | 14,423 # | (60,976) | (10,163) |
|------------------------------|----------|---------|----------|----------|----------|

| Adult Day | | Fiscal Year Ending 9/30/2016 | | | FYE 9/30/2015 | |
|--------------------|------------------------------|-------------------------------------|-----------------|---------------|----------------------|-----------------|
| Period End | 30-Nov-15 | Full Year | Month | Month | Full Year | Month |
| Prepared By | John Moll | | 2 | 2 | | 2 |
| Run Date | 12/14/15 | Budget | Pro Rata | Actual | Actual | Pro Rata |
| INCOME | | | | | | |
| multi | Total Congregation Giving | 25,255 | 4,209 | - | 20,033 | 3,339 |
| 530010/18 | FEES / Private Pay | 123,046 | 20,508 | 30,522 | 141,937 | 23,656 |
| 540400 | Annual Campaign | | | | | |
| 550011 | KIPDA IIIB Program Inc | - | - | - | - | - |
| 550015 | Title IIIC Reimbursement | - | - | - | - | - |
| 550017 | VA Funding | 62,294 | 10,382 | 5,160 | 61,004 | 10,167 |
| 550018 | Metro Louisville Funding | - | - | - | - | - |
| 550031 | Medicaid | 12,257 | 2,043 | 2,345 | 11,277 | 1,880 |
| | Sub Total | 222,852 | 37,142 | 38,028 | 234,251 | 39,042 |
| | All other | 2,962 | 494 | 408 | # 8,001 | 1,334 |
| | Total Revenue | 225,814 | 37,636 | 38,436 | 242,252 | 40,375 |
| EXPENSES | | | | | | |
| 600013 | Wages | 139,698 | - | 30,106 | 133,026 | 22,171 |
| 600014 | FICA | 10,687 | - | 1,763 | 11,093 | 1,849 |
| 600015 | Medical Insurance | 13,248 | - | 1,069 | 13,376 | 2,229 |
| 600024 | Life Insurance | 134 | - | 11 | 122 | 20 |
| | Other Payroll | - | 27,295 | - | - | - |
| | Payroll & Payroll Burden | 163,767 | 27,295 | 32,949 | 157,617 | 26,270 |
| 603010 | Mgt Fee | 11,291 | 1,882 | 1,882 | 12,000 | 2,000 |
| 604000 | Insurance | 3,694 | 616 | 351 | 8,125 | 1,354 |
| 613510 | Housing | 7,200 | 1,200 | 600 | 6,800 | 1,133 |
| 613511 | Utilities | - | - | - | - | - |
| 613512 | Janitorial | 113 | 19 | - | - | - |
| 613513 | Building Management | - | - | - | 90 | 15 |
| 613517 | Grounds Maintenance | - | - | - | - | - |
| 615000 | Facility Improvement | 500 | 83 | - | - | - |
| 616000 | Equipment | 3,000 | 500 | - | 2,131 | 355 |
| 620010 | Food Supplies | 10,152 | 1,692 | - | 9,311 | 1,552 |
| 620012 | Advt / Marketing | 7,799 | 1,300 | - | 5,640 | - |
| 625010 | Programs | 3,206 | 534 | 323 | 3,551 | 592 |
| 625011 | Housekeeping | - | - | - | 498 | 83 |
| 625012 | Office | 955 | 159 | - | 1,106 | 184 |
| 650001 | Assistance 650001 -- 010 | - | - | - | - | - |
| | Subtotal | 47,910 | 7,985 | 3,156 | 49,252 | 7,269 |
| | All Other Expenses | 13,801 | 2,300 | 195 | 12,293 | 2,989 |
| | Total Expenses | 225,478 | 37,580 | 36,300 | 219,162 | 36,527 |
| | REVENUE LESS EXPENSES | 336 | 56 | 2,136 | # 23,090 | 3,848 |

Senior Outreach

| | | Fiscal Year Ending 9/30/2016 | | | FYE 9/30/2015 | |
|-----------------|------------------------------|------------------------------|----------|---------|---------------|----------|
| Period End | 30-Nov-15 | Full Year | Month | Month | Full Year | Month |
| Prepared By | John Moll | | 2 | 2 | | 2 |
| Run Date | 12/14/15 | Budget | Pro Rata | Actual | Actual | Pro Rata |
| INCOME | | | | | | |
| multi | Total Congregation Giving | 29,836 | 4,973 | - | 34,506 | 5,751 |
| 530010/18 | FEES / Private Pay | 2,159 | 360 | 737 | - | - |
| 540400 | Annual Campaign | - | - | - | - | - |
| 550011 | KIPDA IIIB Program Inc | - | - | - | - | - |
| 550015 | Title IIIC Reimbursement | 13,052 | 2,175 | 4,635 | 13,304 | 2,217 |
| 550017 | VA Funding | - | - | - | - | - |
| 550018 | Metro Louisville Funding | 35,000 | 5,833 | 8,750 | 67,600 | 11,267 |
| 550031 | Medicaid | - | - | - | - | - |
| | Sub Total | 80,047 | 13,341 | 14,122 | 115,410 | 19,235 |
| | All other | 138,538 | 23,090 | 12,257 | 79,975 | 13,329 |
| | Total Revenue | 218,585 | 36,431 | 26,379 | 195,385 | 32,564 |
| EXPENSES | | | | | | |
| 600013 | Wages | 85,642 | - | 11,853 | 80,629 | 13,438 |
| 600014 | FICA | 11,267 | - | 1,684 | 12,621 | 2,104 |
| 600015 | Medical Insurance | 21,264 | - | 1,230 | 20,175 | 3,363 |
| 600024 | Life Insurance | 211 | - | 18 | 222 | 37 |
| | Other Payroll | 61,640 | 30,004 | 10,912 | 116,973 | 19,496 |
| | Payroll & Payroll Burden | 180,024 | 30,004 | 25,698 | 230,620 | 38,437 |
| 603010 | Mgt Fee | 10,929 | 1,822 | 1,822 | 12,000 | 2,000 |
| 604000 | Insurance | 2,437 | 406 | 217 | 2,902 | 484 |
| 613510 | Housing | 4,800 | 800 | 400 | 4,800 | 800 |
| 613511 | Utilities | - | - | - | - | - |
| 613512 | Janitorial | 408 | 68 | - | 743 | 124 |
| 613513 | Building Management | - | - | - | 113 | 19 |
| 613517 | Grounds Maintenance | - | - | - | - | - |
| 615000 | Facility Improvement | - | - | - | 540 | 90 |
| 616000 | Equipment | 1,000 | 167 | - | 1,344 | 224 |
| 620010 | Food Supplies | 2,793 | 466 | - | 2,565 | 428 |
| 620012 | Advt / Marketing | - | - | - | - | - |
| 625010 | Programs | 28,000 | 4,667 | 1,849 | - | - |
| 625011 | Housekeeping | - | - | - | - | - |
| 625012 | Office | 2,000 | 333 | - | 3,967 | 661 |
| 650001 | Assistance 650001 -- 010 | - | - | - | - | - |
| | Subtotal | 52,367 | 8,728 | 4,288 | 28,974 | 4,829 |
| | All Other Expenses | 24,638 | 4,106 | 222 | 30,679 | 5,113 |
| | Total Expenses | 257,029 | 42,838 | 30,208 | 290,273 | 48,379 |
| | REVENUE LESS EXPENSES | (38,444) | (6,407) | (3,830) | (94,888) | (15,815) |

| IFAP | | Fiscal Year Ending 9/30/2016 | | | FYE 9/30/2015 | |
|-----------------|------------------------------|------------------------------|----------|----------|---------------|----------|
| Period End | 30-Nov-15 | Full Year | Month | Month | Full Year | Month |
| Prepared By | John Moll | | 2 | 2 | | 2 |
| Run Date | 12/14/15 | Budget | Pro Rata | Actual | Actual | Pro Rata |
| INCOME | | | | | | |
| multi | Total Congregation Giving | 25,000 | 4,167 | - | 11,616 | 1,936 |
| 530010/18 | FEES / Private Pay | - | - | - | - | - |
| 540400 | Annual Campaign | | | | | |
| 550011 | KIPDA IIIB Program Inc | - | - | - | - | - |
| 550015 | Title IIIC Reimbursement | - | - | - | - | - |
| 550017 | VA Funding | - | - | - | - | - |
| 550018 | Metro Louisville Funding | 42,100 | 7,017 | - | 58,975 | 9,829 |
| 550031 | Medicaid | - | - | - | - | - |
| | Sub Total | 67,100 | 11,183 | - | 70,591 | 11,765 |
| | All other | 111,398 | 18,566 | 12,137 | 88,870 | 14,812 |
| | Total Revenue | 178,498 | 29,750 | 12,137 | 159,461 | 26,577 |
| EXPENSES | | | | | | |
| 600013 | Wages | 61,190 | - | 7,505 | 37,626 | 6,271 |
| 600014 | FICA | 4,681 | - | 566 | 3,900 | 650 |
| 600015 | Medical Insurance | 4,433 | - | 535 | 5,347 | 891 |
| 600024 | Life Insurance | 64 | - | 5 | 50 | 8 |
| | Other Payroll | (70,368) | - | - | - | - |
| | Payroll & Payroll Burden | - | - | 8,611 | 46,923 | 7,821 |
| 603010 | Mgt Fee | 8,925 | 1,488 | 1,488 | 12,000 | 2,000 |
| 604000 | Insurance | 1,907 | 318 | 184 | 4,643 | 774 |
| 613510 | Housing | 6,000 | 1,000 | 500 | 6,000 | 1,000 |
| 613511 | Utilities | - | - | - | - | - |
| 613512 | Janitorial | - | - | - | 2,313 | 386 |
| 613513 | Building Management | - | - | - | 477 | 80 |
| 613517 | Grounds Maintenance | - | - | - | - | - |
| 615000 | Facility Improvement | - | - | - | - | - |
| 616000 | Equipment | 1,500 | 250 | - | 3,269 | 545 |
| 620010 | Food Supplies | - | - | 225 | - | - |
| 620012 | Advt / Marketing | - | - | - | 24 | 4 |
| 625010 | Programs | - | - | - | - | - |
| 625011 | Housekeeping | - | - | - | - | - |
| 625012 | Office | 1,085 | 181 | - | 1,005 | 168 |
| 650001 | Assistance 650001 - - 010 | 78,598 | 13,100 | 9,381 | 66,694 | 11,116 |
| | Subtotal | 98,015 | 16,336 | 11,778 | 96,425 | 16,071 |
| | All Other Expenses | 78,458 | 13,076 | 9,717 | 38,561 | 6,427 |
| | Total Expenses | 176,473 | 29,412 | 30,107 | 181,909 | 30,318 |
| | REVENUE LESS EXPENSES | 2,025 | 338 | (17,969) | (22,448) | (3,741) |

| HYR | | Fiscal Year Ending 9/30/2016 | | | FYE 9/30/2015 | |
|-----------------|------------------------------|------------------------------|--------------|------------------|-----------------|----------------|
| Period End | 30-Nov-15 | Full Year | Month | Month | Full Year | Month |
| Prepared By | John Moll | | 2 | 2 | | 2 |
| Run Date | 12/14/15 | Budget | Pro Rata | Actual | Actual | Pro Rata |
| INCOME | | | | | | |
| multi | Total Congregation Giving | 2,909 | 485 | - | 1,232 | 205 |
| 530010/18 | FEES / Private Pay | 62,011 | 10,335 | 755 | 67,565 | 11,261 |
| 540400 | Annual Campaign | | | | | |
| 550011 | KIPDA IIIB Program Inc | - | - | - | - | - |
| 550015 | Title IIIC Reimbursement | - | - | - | - | - |
| 550017 | VA Funding | - | - | - | - | - |
| 550018 | Metro Louisville Funding | - | - | - | - | - |
| 550031 | Medicaid | - | - | - | - | - |
| | Sub Total | 64,920 | 10,820 | 755 | 68,797 | 11,466 |
| | All other | 2,350 | 392 | - | 750 | 125 |
| | Total Revenue | 67,270 | 11,212 | 755 | 69,547 | 11,591 |
| EXPENSES | | | | | | |
| 600013 | Wages | 15,000 | - | 2,342 | 15,445 | 2,574 |
| 600014 | FICA | 1,148 | - | 179 | 1,182 | 197 |
| 600015 | Medical Insurance | - | - | - | - | - |
| 600024 | Life Insurance | - | - | - | - | - |
| | Other Payroll | - | 2,691 | - | - | - |
| | Payroll & Payroll Burden | 16,148 | 2,691 | 2,522 | 16,627 | 2,771 |
| 603010 | Mgt Fee | 3,363 | 561 | 561 | 12,000 | 2,000 |
| 604000 | Insurance | 690 | 115 | 67 | 1,741 | 290 |
| 613510 | Housing | - | - | 100 | 1,200 | 200 |
| 613511 | Utilities | - | - | - | - | - |
| 613512 | Janitorial | - | - | - | - | - |
| 613513 | Building Management | - | - | - | - | - |
| 613517 | Grounds Maintenance | - | - | - | - | - |
| 615000 | Facility Improvement | - | - | - | - | - |
| 616000 | Equipment | - | - | - | - | - |
| 620010 | Food Supplies | - | - | - | - | - |
| 620012 | Advt / Marketing | 1,732 | 289 | 264 | 1,955 | 326 |
| 625010 | Programs | 34,551 | 5,759 | 2,816 | 50,367 | 8,395 |
| 625011 | Housekeeping | - | - | - | - | - |
| 625012 | Office | - | - | - | - | - |
| 650001 | Assistance 650001 -- 010 | - | - | - | - | - |
| | Subtotal | 40,336 | 6,723 | 3,808 | 67,263 | 11,211 |
| | All Other Expenses | 2,392 | 399 | 665 | - | - |
| | Total Expenses | 58,876 | 9,813 | 6,994 | 83,890 | 13,982 |
| | REVENUE LESS EXPENSES | 8,394 | 1,399 | (6,239) # | (14,343) | (2,391) |

Central Office (w/ Fund Rasing)

Fiscal Year Ending 9/30/2016

FYE 9/30/2015

| Period End | 30-Nov-15 | Full Year | Month | Month | Full Year | Month |
|-------------|-----------|-----------|----------|--------|-----------|----------|
| Prepared By | John Moll | | 2 | 2 | | 2 |
| Run Date | 12/14/15 | Budget | Pro Rata | Actual | Actual | Pro Rata |

INCOME

| | | | | | | |
|-----------|---------------------------|---------|--------|--------|---------|--------|
| multi | Total Congregation Giving | - | - | 10,060 | - | - |
| 530010/18 | FEES / Private Pay | - | - | - | - | - |
| 540400 | Annual Campaign | 30,000 | 5,000 | 560 | 28,687 | 4,781 |
| 550011 | KIPDA IIIB Program Inc | - | - | - | - | - |
| 550015 | Title IIIC Reimbursement | - | - | - | - | - |
| 550017 | VA Funding | - | - | - | - | - |
| 550018 | Metro Louisville Funding | - | - | - | - | - |
| 550031 | Medicaid | - | - | - | - | - |
| | Sub Total | 30,000 | 5,000 | 10,621 | 28,687 | 4,781 |
| | All other | 147,780 | 24,630 | 52,700 | 177,358 | 29,560 |
| | Total Revenue | 177,780 | 29,630 | 63,321 | 206,045 | 34,341 |

EXPENSES

| | | | | | | |
|--------|--------------------------|----------------|---------------|---------------|----------------|---------------|
| 600013 | Wages | 139,686 | - | 19,075 | 103,917 | 17,320 |
| 600014 | FICA | 10,686 | - | 2,077 | 8,377 | 1,396 |
| 600015 | Medical Insurance | 27,376 | - | 2,246 | 26,028 | 4,338 |
| 600024 | Life Insurance | 1,200 | - | 103 | 32 | 34 |
| | Other Payroll | - | 29,825 | - | - | (29) |
| | Payroll & Payroll Burden | 178,948 | 29,825 | 23,500 | 138,354 | 23,059 |
| 603010 | Mgt Fee | - | - | - | - | - |
| 604000 | Insurance | 2,193 | 366 | 200 | 3,482 | 580 |
| 613510 | Housing | 3,600 | 600 | 300 | 3,600 | 600 |
| 613511 | Utilities | - | - | - | - | - |
| 613512 | Janitorial | - | - | - | 499 | 83 |
| 613513 | Building Management | 500 | 83 | - | 1,906 | 318 |
| 613517 | Grounds Maintenance | - | - | - | 1,325 | 221 |
| 615000 | Facility Improvement | - | - | - | 300 | 50 |
| 616000 | Equipment | 1,000 | 167 | 1,733 | 2,550 | 425 |
| 620010 | Food Supplies | - | - | - | - | - |
| 620012 | Advt / Marketing | 20,000 | 3,333 | - | 16,759 | 2,793 |
| 625010 | Programs | - | - | - | - | - |
| 625011 | Housekeeping | - | - | - | 60 | 10 |
| 625012 | Office | 2,000 | 333 | 688 | 7,651 | 1,275 |
| 650001 | Assistance 650001 -- 010 | 16,000 | 2,667 | - | 3,703 | 617 |
| | Subtotal | 45,293 | 7,549 | 2,921 | 41,835 | 6,973 |
| | All Other Expenses | 60,023 | 10,004 | 8,586 | 107,349 | 17,892 |
| | Total Expenses | 284,264 | 47,377 | 35,008 | 287,538 | 47,923 |

REVENUE LESS EXPENSES

(106,484) (17,747) 28,313 # (81,493) (13,582)

Grand Totals

Period End 30-Nov-15
 Prepared By John Moll
 Run Date 12/14/15

Fiscal Year Ending 9/30/2016

Full Year Month Month
 Budget Pro Rata Actual

FYE 9/30/2015

Full Year Month
 Actual Pro Rata

INCOME

| | | | | | | |
|-----------|---------------------------|-----------|---------|---------|-----------|---------|
| multi | Total Congregation Giving | 83,000 | 13,833 | 10,060 | 71,387 | 11,898 |
| 530010/18 | FEES / Private Pay | 2,542,644 | 423,774 | 372,085 | 2,457,534 | 409,589 |
| 540400 | Annual Campaign | 30,000 | 5,000 | 560 | 28,687 | 4,781 |
| 550011 | KIPDA IIIB Program Inc | - | - | - | - | - |
| 550015 | Title IIIC Reimbursement | 13,052 | 2,175 | 4,635 | 13,304 | 2,217 |
| 550017 | VA Funding | 62,294 | 10,382 | 5,160 | 61,004 | 10,167 |
| 550018 | Metro Louisville Funding | 77,100 | 12,850 | 8,750 | 126,575 | 21,096 |
| 550031 | Medicaid | 12,257 | 2,043 | 2,345 | 11,277 | 1,880 |
| | Sub Total | 2,820,347 | 470,058 | 403,597 | 2,769,768 | 461,628 |
| | All other | 403,028 | 67,171 | 78,102 | 355,995 | 59,333 |
| | Total Revenue | 3,223,375 | 537,229 | 481,699 | 3,125,763 | 520,961 |

EXPENSES

| | | | | | | |
|--------|---------------------------|------------------|----------------|----------------|------------------|----------------|
| 600013 | Wages | 2,064,721 | 256,311 | 299,730 | 1,941,153 | 323,526 |
| 600014 | FICA | 167,382 | 19,608 | 23,186 | 159,439 | 26,573 |
| 600015 | Medical Insurance | 224,069 | 22,747 | 15,453 | 237,606 | 39,601 |
| 600024 | Life Insurance | 4,136 | 386 | 335 | 2,436 | 435 |
| | Other Payroll | 52,912 | 119,819 | 10,912 | 233,946 | 38,962 |
| | Payroll & Payroll Burden | 2,513,220 | 418,870 | 349,615 | 2,574,580 | 429,097 |
| 603010 | Mgt Fee | 152,280 | 25,380 | 25,382 | 112,000 | 18,667 |
| 604000 | Insurance | 38,983 | 6,497 | 3,341 | 60,939 | 10,157 |
| 613510 | Housing | 69,601 | 11,600 | 9,100 | 65,440 | 10,907 |
| 613511 | Utilities | 14,000 | 2,333 | 1,090 | 13,397 | 2,233 |
| 613512 | Janitorial | 17,333 | 2,889 | 552 | 23,521 | 3,920 |
| 613513 | Building Management | 24,504 | 4,084 | 1,265 | 21,913 | 3,652 |
| 613517 | Grounds Maintenance | 15,904 | 2,651 | 3,127 | 6,831 | 1,139 |
| 615000 | Facility Improvement | 12,500 | 2,083 | - | 19,123 | 3,187 |
| 616000 | Equipment | 8,840 | 1,473 | 2,034 | 20,581 | 3,430 |
| 620010 | Food Supplies | 188,174 | 31,362 | 10,677 | 174,203 | 29,034 |
| 620012 | Advt / Marketing | 31,531 | 5,255 | 264 | 24,378 | 3,123 |
| 625010 | Programs | 154,397 | 25,733 | 12,311 | 107,800 | 17,967 |
| 625011 | Housekeeping | 4,000 | 667 | - | 36,729 | 6,122 |
| 625012 | Office | 20,060 | 3,343 | 1,023 | 29,637 | 4,940 |
| 650001 | Assistance 650001 - - 010 | 94,598 | 15,766 | 9,381 | 70,397 | 11,733 |
| | Subtotal | 846,705 | 141,118 | 79,547 | 786,889 | 130,208 |
| | All Other Expenses | 16,484 | 2,747 | 22,820 | (27,683) | (3,674) |
| | Total Expenses | 3,376,409 | 562,735 | 451,983 | 3,333,786 | 555,631 |

| | | | | | | |
|------------------------------|-----------|----------|--------|---|-----------|----------|
| REVENUE LESS EXPENSES | (153,034) | (25,506) | 29,717 | # | (208,023) | (34,671) |
|------------------------------|-----------|----------|--------|---|-----------|----------|

| HCM Synopsis - Detailed | | Fiscal Year Ending 9/30/2016 | | | FYE 9/30/2015 | |
|-------------------------|---------------------|------------------------------|-----------|----------|---------------|----------|
| Period End | 30-Nov-15 | Full Year | Month | Month | Full Year | Month |
| Prepared By | John Moll | | - | 2 | | 2 |
| Run Date | 12/14/15 | Budget | Pro Rata | Actual | Actual | Pro Rata |
| St Paul | Income | 1,361,818 | 226,970 | 197,343 | 1,316,683 | 219,447 |
| | Payroll | 1,043,553 | 173,926 | 147,604 | 1,002,021 | 167,004 |
| | Other Exp | 321,296 | 53,549 | 36,856 | 271,627 | 45,271 |
| | Surplus / (Deficit) | (3,031) | (505) | 12,883 | 43,035 | 7,173 |
| Eastern Star | Income | 993,610 | 165,602 | 143,329 | 936,390 | 156,065 |
| | Payroll | 750,756 | 500,504 | 108,732 | 751,798 | 125,300 |
| | Other Exp | 258,684 | 43,114 | 20,174 | 245,568 | 40,928 |
| | Surplus / (Deficit) | (15,830) | (378,016) | 14,423 | (60,976) | (10,163) |
| Adult Day | Income | 225,814 | 37,636 | 38,436 | 242,252 | 40,375 |
| | Payroll | 163,767 | 27,295 | 32,949 | 157,617 | 26,270 |
| | Other Exp | 61,711 | 10,285 | 3,351 | 61,545 | 10,258 |
| | Surplus / (Deficit) | 336 | 56 | 2,136 | 23,090 | 3,848 |
| Sr Outreach | Income | 218,585 | 36,431 | 26,379 | 195,385 | 32,564 |
| | Payroll | 180,024 | 30,004 | 25,698 | 230,620 | 38,437 |
| | Other Exp | 77,005 | 12,834 | 4,511 | 59,653 | 9,942 |
| | Surplus / (Deficit) | (38,444) | (6,407) | (3,830) | (94,888) | (15,815) |
| IFAP | Income | 178,498 | 29,750 | 12,137 | 159,461 | 26,577 |
| | Payroll | - | - | 8,611 | 46,923 | 7,821 |
| | Other Exp | 176,473 | 29,412 | 21,496 | 134,986 | 22,498 |
| | Surplus / (Deficit) | 2,025 | 338 | (17,969) | (22,448) | (3,741) |
| HYR | Income | 67,270 | 11,212 | 755 | 69,547 | 11,591 |
| | Payroll | 16,148 | 2,691 | 2,522 | 16,627 | 2,771 |
| | Other Exp | 42,728 | 7,121 | 4,472 | 67,263 | 11,211 |
| | Surplus / (Deficit) | 8,394 | 1,399 | (6,239) | (14,343) | (2,391) |
| Cental Office | Income | 177,780 | 29,630 | 63,321 | 206,045 | 34,341 |
| | Payroll | 178,948 | 29,825 | 23,500 | 138,354 | 23,059 |
| | Other Exp | 105,316 | 17,553 | 11,508 | 149,184 | 24,864 |
| | Surplus / (Deficit) | (106,484) | (17,747) | 28,313 | (81,493) | (13,582) |
| Grand Totals | Income | 3,223,375 | 537,229 | 481,699 | 3,125,763 | 520,961 |
| | Payroll | 2,513,220 | 418,870 | 349,615 | 2,574,580 | 429,097 |
| | Other Exp | 863,189 | 143,865 | 102,367 | 759,206 | 126,534 |
| | Surplus / (Deficit) | (153,034) | (25,506) | 29,717 | (208,023) | (34,671) |

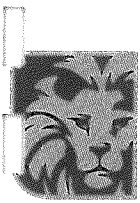
| HCM Synopsis - Short | | Fiscal Year Ending 9/30/2016 | | | FYE 9/30/2015 | |
|----------------------|--------------------------|------------------------------|----------|---------------|---------------|----------|
| Period End | 30-Nov-15 | Full Year | Month | Month | Full Year | Month |
| Prepared By | John Moll | | 2 | 2 | | 2 |
| Run Date | 12/14/15 | Budget | Pro Rata | Actual | Actual | Pro Rata |
| INCOME | | | | | | |
| | Congregational Giving | 83,000 | 13,833 | 10,060 | 71,387 | 11,898 |
| | All Other Revenue | 3,140,375 | 523,396 | 471,639 | 3,054,376 | 509,063 |
| | Total Revenue | 3,223,375 | 537,229 | 481,699 | 3,125,763 | 520,961 |
| Expenses | | | | | | |
| | Payroll & Payroll Burden | 2,513,220 | 418,870 | 349,615 | 2,574,580 | 429,097 |
| | All Other Expenses | 863,189 | 143,865 | 102,367 | 759,206 | 126,534 |
| | Total Expenses | 3,376,409 | 562,735 | 451,983 | 3,333,786 | 555,631 |
| | Surplus / (Deficit) | (153,034) | (25,506) | 29,717 | (208,023) | (34,671) |

Combined Financial Statements and Schedules

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2014

| | |
|--|----|
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W. Clay Newman
Stephanie D. Kellerman

David A. James *Amanda J. Drake*
Heather M. Rattliff *Jonathan C. Yan*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Highland Community Ministries, Inc.
Louisville, Kentucky

We have audited the accompanying financial statements of Highland Community Ministries, Inc. (the "Organization") (a nonprofit corporation) which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, changes in fund balances 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 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 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 audit to obtain reasonable assurance about whether the financial statements are free from 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Highlands Community Ministries, Inc. as of September 30, 2014, 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.

Report on Summarized Comparative Information

We have previously audited the Highland Community Ministries, Inc.'s September 30, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 20, 2015. In our opinion, the summarized comparative information presented herein as of and for the twelve months ended September 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2015 on our consideration of Highlands Community Ministries, Inc.'s internal control over financial reporting and 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 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 Highland Community Ministries, Inc.'s internal control over financial reporting and compliance.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of program activities on page 17 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



King + Company
Certified Public Accountants

Louisville, Kentucky
August 26, 2015



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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**

To the Board of Directors
Highlands Community Ministries, Inc.
Louisville, Kentucky

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 financial statements of Highlands Community Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Highlands Community Ministries, Inc.'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 Highlands Community Ministries, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 significant deficiencies or material weaknesses. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Highlands Community Ministries, Inc.'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 the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


King + Company
Certified Public Accountants

Louisville, Kentucky
August 26, 2015

COMBINED STATEMENT OF FINANCIAL POSITION
(with comparative totals as of September 30, 2013)

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2014

| | September 30, 2014 | | | Sept. 30, 2013 |
|--------------------------------------|--------------------|---------------------|----------------------|--------------------|
| | Operating Centers | Fringe Benefit Fund | Quasi-Endowment Fund | Total All Funds |
| ASSETS | | | | |
| Cash | \$ 132,172 | | | \$ 86,798 |
| Long-term investments | | | | |
| Unappropriated | 354,578 | \$267,948 | \$2,222,198 | 2,877,480 |
| Accounts receivable | 42,770 | | | 43,463 |
| Note receivable | 225,000 | | | -0- |
| Vehicles | 25,976 | | | 25,976 |
| Office equipment | 58,016 | | | 58,016 |
| Program equipment | 151,762 | | | 148,421 |
| Facility improvements | 258,854 | | | 227,563 |
| Eastern Star Home renovation | 244,897 | | | 244,897 |
| Accumulated depreciation | (628,779) | | | (612,853) |
| | <u>\$ 865,246</u> | <u>\$267,948</u> | <u>\$2,222,198</u> | <u>\$3,099,761</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Line of credit | \$ 75,000 | | | -0- |
| Prepaid fees and pledges | 107,839 | | | \$ 103,206 |
| Total liabilities | <u>182,839</u> | | | <u>103,206</u> |
| Fund balances: | | | | |
| Designated for: | | | | |
| Fringe benefit | | \$267,948 | | 220,554 |
| Undesignated | 682,407 | | \$2,222,198 | 2,776,001 |
| Total fund balances | <u>682,407</u> | <u>267,948</u> | <u>2,222,198</u> | <u>2,996,555</u> |
| | <u>\$ 865,246</u> | <u>\$267,948</u> | <u>\$2,222,198</u> | <u>\$3,099,761</u> |

See accompanying notes to financial statements

COMBINED STATEMENT OF ACTIVITIES

(with comparative totals for the twelve months ended September 30, 2013)

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2014

| | For the 12 months ended September 30, 2014 | | | | For the 12 months ended Sept. 30, 2013 |
|--|--|---------------------------|-----------------------------|--------------------|--|
| | Operating Centers | Fringe Benefit Fund | Quasi- Endowment Fund | Total All Funds | Total All Funds |
| SUPPORT AND REVENUE: | | | | | |
| Fees | \$2,246,875 | | | \$2,246,875 | \$2,222,531 |
| Program income | 143,931 | | | 143,931 | 157,676 |
| Program grant and subsidies | 177,674 | | | 177,674 | 200,684 |
| Church pledges | 89,754 | | | 89,754 | 84,863 |
| Gifts: | | | | | |
| Unrestricted | 102,108 | | | 102,108 | 70,831 |
| Restricted | 61,364 | | | 61,364 | 50,833 |
| Earnings on invested funds | 14,209 | \$11,471 | \$110,703 | 136,383 | 78,481 |
| Miscellaneous | 35,704 | | | 35,704 | 49,194 |
| Total Support and Revenue | 2,871,619 | 11,471 | 110,703 | 2,993,793 | 2,915,093 |
| EXPENSES: | | | | | |
| Program services | | | | | |
| Salary and benefits | 2,051,222 | 9,546 | | 2,060,768 | 2,057,408 |
| Small equipment purchases | 12,042 | | | 12,042 | 15,397 |
| Depreciation expense | 15,926 | | | 15,926 | 17,464 |
| Food costs | 159,165 | | | 159,165 | 135,334 |
| Homecare | 2,135 | | | 2,135 | 5,566 |
| Insurance | 44,085 | | | 44,085 | 26,459 |
| Miscellaneous | 7,361 | | | 7,361 | 7,443 |
| Premises | 120,337 | | | 120,337 | 105,316 |
| Postage | 2,629 | | | 2,629 | 3,854 |
| Program costs | 273,339 | | | 273,339 | 328,677 |
| Staff training | 10,173 | | | 10,173 | 10,124 |
| Travel | 4,461 | | | 4,461 | 4,889 |
| Welfare program | 95,614 | | | 95,614 | 86,878 |
| Total Program Services | 2,798,489 | 9,546 | | 2,808,035 | 2,804,809 |
| Fund Raising | | | | | |
| Fund Raising | -0- | | | -0- | 10,482 |
| Salary and benefits | 3,667 | | | 3,667 | 3,545 |
| Total Fund Raising | 3,667 | | | 3,667 | 14,027 |
| Management and General | | | | | |
| Administrative | 49,090 | | | 49,090 | 45,679 |
| Accounting | 44,279 | | | 44,279 | 28,771 |
| Interest | 1,337 | | | 1,337 | -0- |
| Salary and benefits | 99,596 | | | 99,596 | 111,234 |
| Printing | 2,969 | | | 2,969 | 2,399 |
| Telephone | 14,332 | | | 14,332 | 10,917 |
| Total Management and General | 211,603 | | | 211,603 | 199,000 |
| Total Expenses | 3,013,759 | 9,546 | -0- | 3,023,305 | 3,017,836 |
| Operating revenue over (under) expenses | (142,140) | 1,925 | 110,703 | (29,512) | (102,743) |
| OTHER REVENUE (EXPENSE) | | | | | |
| Unrealized gain on investments | 21,208 | 17,304 | 166,998 | 205,510 | 258,596 |
| Revenue over (under) expenses | \$ (120,932) | \$19,229 | \$277,701 | \$ 175,998 | \$ 155,853 |

See accompanying notes to financial statements

COMBINED STATEMENT OF CHANGES IN FUND BALANCES

(with comparative totals for the twelve months ended September 30, 2013)

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2014

| | For the 12 months ended September 30, 2014 | | | | | For the 12 months ended Sept. 30, 2013 |
|--|--|--------------------|---------------------------|-----------------------------|--------------------|--|
| | Operating Centers | Annual Campaign | Fringe Benefit Fund | Quasi- Endowment Fund | Total All Funds | Total All Funds |
| Fund balances – beginning of period | \$ 389,298 | \$ 285,651 | \$220,554 | \$2,101,052 | \$2,996,555 | \$2,840,702 |
| Interfund transfers | 414,041 | (285,651) | 28,165 | (156,555) | -0- | -0- |
| Revenue over (under) expenses | (120,932) | -0- | 19,229 | 277,701 | 175,998 | 155,853 |
| Fund balances – end of period | <u>\$ 682,407</u> | <u>-0-</u> | <u>\$267,948</u> | <u>\$2,222,198</u> | <u>\$3,172,553</u> | <u>\$2,996,555</u> |

See accompanying notes to financial statements

COMBINED STATEMENT OF CASH FLOWS

(with comparative totals for the twelve months ended September 30, 2013)

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2014

| | For the 12 months ended September 30, 2014 | | | | For the 12 months ended Sept. 30, 2013 |
|--|--|---------------------|----------------------|-------------------|--|
| | Operating Centers | Fringe Benefit Fund | Quasi-Endowment Fund | Total All Funds | Total All Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Revenue over (under) expenses | \$(120,932) | \$ 19,229 | \$ 277,701 | \$ 175,998 | \$ 155,853 |
| Adjustments to reconcile revenue over (under) expenses to net cash provided by (used in) operating activities: | | | | | |
| Depreciation | 15,926 | | | 15,926 | 17,464 |
| Decrease in accounts receivable | 693 | | | 693 | 7,391 |
| (Increase) decrease in prepaid fees and pledges | 4,633 | | | 4,633 | (14,042) |
| Unrealized gain on investments | (21,208) | (17,304) | (166,998) | (205,510) | (258,596) |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | (120,888) | 1,925 | 110,703 | (8,260) | (91,930) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchases of equipment | (34,633) | | | (34,633) | (46,215) |
| (Purchases) sales of investments | 350,895 | (1,925) | (110,703) | 238,267 | 208,982 |
| Increase in note receivable | (225,000) | | | (225,000) | -0- |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | 91,262 | (1,925) | (110,703) | (21,366) | 162,767 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from line of credit | 75,000 | | | 75,000 | -0- |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 75,000 | | | 75,000 | -0- |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 45,374 | -0- | -0- | 45,374 | 70,837 |
| Cash and cash equivalents at beginning of period | 86,798 | -0- | -0- | 86,798 | 15,961 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | \$ 132,172 | -0- | -0- | \$ 132,172 | \$ 86,798 |
| SUPPLEMENTAL DISCLOSURES | | | | | |
| Interest paid | \$ 1,337 | | | \$ 1,337 | -0- |

See accompanying notes to financial statements

NOTES TO COMBINED FINANCIAL STATEMENTS

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2014

NOTE A--NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Highlands Community Ministries, Inc. (the "Organization") was established in 1970. Since that time, 23 congregations have joined together in a variety of servant ministries to benefit persons throughout the community. The congregations have pooled manpower, facilities and finances in this effort. The programs of the Organization include: two child enrichment centers, adult day care, outreach to older persons, financial assistance and youth recreation. The two child enrichment programs provide 70% of the program revenues.

Related Party: Highland Community Campus ("HCC") is a related party under common control. HCC owns a building, which houses several of the Organization's programs.

Basis of Presentation: Highlands Community Ministries, Inc. follows generally accepted accounting principles. The Organization's financial statements are presented on an accrual basis. To ensure observance of limitations and restrictions on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics are combined into fund groups.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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.

Income Taxes: The Organization is a not-for-profit organization exempt from the payment of federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

Investments: The Organization has adopted FASB ASC 958-320, *Not-for-Profit Entities: Investments – Debt and Equity Securities*. Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the balance sheet. Unrealized gains and losses are included in the Statement of Activities.

Accounts Receivable: Accounts receivable are primarily amounts due for fees for program services, fiscal year grants and pledges.

Fixed Assets: Fixed assets are stated at cost or value at date of donation less accumulated depreciation. Depreciation is calculated using the straight-line method over 5 to 10 years.

NOTES TO COMBINED FINANCIAL STATEMENTS

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2014

NOTE A--NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

Fee Income, Grants and Pledges: Fee and grant income is recognized when earned. Unrestricted pledges are recognized in the year the pledge is obtained.

Comparative Totals: The financial statements include certain prior-period summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the twelve-month period ended September 30, 2013, from which the summarized information was derived.

Reclassification: Certain amounts in the September 30, 2013 financial statements have been reclassified to conform to the September 30, 2014 presentation.

NOTE B--INVESTMENTS

The market value of the investments as of September 30, 2014 and September 30, 2013 are as follows:

| | 9/30/2014 | | 9/30/2013 |
|-----------------------------|--------------------|--------------------|--------------------|
| | Cost | Fair Market Value | Fair Market Value |
| Money market funds | \$ 39,280 | \$ 39,280 | \$ 89,097 |
| Fixed income | 376,426 | 447,038 | 354,666 |
| Common and preferred stocks | 685,196 | 1,060,940 | 862,680 |
| Mutual funds | 1,153,516 | 1,297,466 | 1,571,037 |
| | <u>\$2,254,418</u> | <u>\$2,844,724</u> | <u>\$2,877,480</u> |

NOTE C--DESIGNATED FUNDS

Highlands Community Ministries, Inc. maintains various designated funds as follows:

Quasi-Endowment Fund: Fund balances in excess of 20% of the operating budget are placed in this special fund. The principal is set aside for the particular Operating Center for capital replacement or other needs. The interest earned on the fund will be utilized for needs determined by the Highlands Community Ministries, Inc. Administration Division.

Fringe Benefit Fund: The interest and principal of the fund's investments are designated to cover the cost of employee pension plans.

NOTES TO COMBINED FINANCIAL STATEMENTS

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2014

NOTE C--DESIGNATED FUNDS--CONTINUED

Annual Campaign Fund: Funds were raised by this campaign to support the programs of Highlands Community Ministries, Inc. Money raised was then allocated as needed to various programs at the discretion of management. The Organization ceased using the fund effective October 1, 2013 and transferred its fund balance to Operating Centers.

NOTE D--COMMITMENTS

Highlands Community Ministries, Inc. utilizes program space at several congregations rent-free. The Organization pays for any additional costs incurred in using the facility. The Eastern Star Home has a twelve-year lease expiring June 1, 2025, on their facility in exchange for renovation, upkeep and one dollar a year. The Douglas Boulevard and St. Paul locations have one-year leases, which expired June 30, 2014 and were renewed until June 30, 2015.

NOTE E--PENSION PLAN

Highlands Community Ministries, Inc. sponsors a defined contribution pension plan. The plan covers employees at least 21 years of age who worked for the Organization during two years of the preceding five years. The base employer contribution was 1% of the employee's base salary. For the twelve months ended September 30, 2014 and the twelve months ended September 30, 2013, pension expense was \$9,546 and \$12,387, respectively.

NOTE F--FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

- Long-term investments: The fair values of investments are based on quoted market prices for those investments.

NOTES TO COMBINED FINANCIAL STATEMENTS

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2014

NOTE F--FAIR VALUE OF FINANCIAL INSTRUMENTS--CONTINUED

The following table presents the Organization's fair value hierarchy for the financial assets measured at fair value on a recurring basis.

| | Fair Value Measurements at Reporting Date Using | |
|---------------------------|--|---|
| | Fair Value | Quoted Prices In Active Markets For Identical Assets (Level 1) |
| <u>September 30, 2014</u> | | |
| Long-term investments | \$2,844,724 | \$2,844,724 |
| <u>September 30, 2013</u> | | |
| Long-term investments | \$2,877,480 | \$2,877,480 |

FASB ASC Topic 820, requires disclosures concerning fair value measurements and establishes a three-level valuation hierarchy.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTES TO COMBINED FINANCIAL STATEMENTS

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2014

NOTE G--PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

| | <u>9/30/2014</u> | <u>9/30/2013</u> |
|-------------------------------|------------------|------------------|
| Vehicles | \$ 25,976 | \$ 25,976 |
| Office equipment | 58,016 | 58,016 |
| Program equipment | 151,762 | 148,421 |
| Facility improvements | 258,854 | 227,563 |
| Eastern Star Home renovation | 244,897 | 244,897 |
| | <u>739,505</u> | <u>704,873</u> |
| Less accumulated depreciation | <u>(628,779)</u> | <u>(612,853)</u> |
| | <u>\$110,726</u> | <u>\$ 92,020</u> |

Depreciation expense was \$15,926 and \$17,464 for the twelve months ended September 30, 2014 and twelve months ended September 30, 2013, respectively.

NOTE H--NOTE RECEIVABLE

The Organization approved advances to Highland Community Campus ("HCC"), a related party, of up to \$250,000 for building improvements and operating expenses. Incremental payments have been made to HCC. At September 30, 2014 the balance due the Organization was \$225,000, of which \$125,000 is secured by a promissory note and real estate. The note bears interest at 4%.

NOTE I--NOTE PAYABLE

The Organization has a line of credit with a commercial bank in the amount of \$75,000, of which \$-0- and \$75,000 was unused at September 30, 2014 and 2013, respectively. The line of credit is due on demand and has an interest rate of .2%. The line of credit is secured by a certificate of deposit in the amount of \$75,000.

NOTE J--DATE OF MANAGEMENT REVIEW

The Organization has evaluated subsequent events through August 26, 2015, the date which the financial statements were available to be issued.

Supplementary Schedules

COMBINING STATEMENT OF FINANCIAL POSITION – OPERATING CENTERS
(with comparative totals as of September 30, 2013)

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2014

SCHEDULE 1

| | September 30, 2014 | | | | | Sept. 30, 2013 | | |
|--------------------------------------|--|-------------------------|------------------|------------------------------|--------------------------------------|---------------------------------|-------------------------------|----------------------|
| | St. Paul Douglass Blvd Day Care | Eastern Star Home | Adult Day | Outreach Older Persons | Individual & Family Assistance | Highland Youth Recreation | Total Operating Centers | Total All Centers |
| ASSETS | | | | | | | | |
| Cash | \$ 200 | \$ 200 | \$ 200 | \$ 200 | \$ 120 | | \$ 132,172 | \$ 86,798 |
| Investments | 147,882 | 76,318 | 30,111 | 40,172 | 35,897 | \$24,198 | 354,578 | 270,223 |
| Accounts receivable | 9,817 | | 13,786 | 16,620 | | | 42,770 | 43,463 |
| Note receivable | | | | | | | 225,000 | 225,000 |
| Vehicles | | | | 25,976 | | | 25,976 | 25,976 |
| Office equipment | 7,350 | 16,975 | 9,599 | 7,284 | 14,406 | | 58,016 | 58,016 |
| Program equipment | 46,667 | 71,910 | 20,640 | 12,545 | | | 151,762 | 148,421 |
| Facility improvements | 31,596 | 211,791 | 15,467 | | | | 258,854 | 227,563 |
| Eastern Star Home renovation | | 244,897 | | | | | 244,897 | 244,897 |
| Accumulated depreciation | (82,832) | (442,943) | (42,196) | (45,571) | (14,164) | | (628,779) | (612,853) |
| | <u>\$360,128</u> | <u>\$ 179,148</u> | <u>\$ 47,607</u> | <u>\$ 57,226</u> | <u>\$ 36,259</u> | <u>\$24,198</u> | <u>\$ 865,246</u> | <u>\$ 492,504</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Line of credit | \$ 75,000 | | | | | | \$ 75,000 | |
| Prepaid fees and pledges | 25,779 | \$ 19,239 | | | | | 107,839 | \$ 103,206 |
| Total liabilities | <u>100,779</u> | <u>19,239</u> | | | | | <u>182,839</u> | <u>103,206</u> |
| Fund balances: | | | | | | | | |
| Undesignated | 259,349 | 159,909 | \$ 47,607 | \$ 57,226 | \$ 36,259 | \$24,198 | 682,407 | 389,298 |
| Total fund balances | <u>259,349</u> | <u>159,909</u> | <u>47,607</u> | <u>57,226</u> | <u>36,259</u> | <u>24,198</u> | <u>682,407</u> | <u>389,298</u> |
| | <u>\$360,128</u> | <u>\$ 179,148</u> | <u>\$ 47,607</u> | <u>\$ 57,226</u> | <u>\$ 36,259</u> | <u>\$24,198</u> | <u>\$ 865,246</u> | <u>\$ 492,504</u> |

COMBINING STATEMENT OF ACTIVITIES – OPERATING CENTERS
(with comparative totals for the twelve months ended September 30, 2013)

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2014

| | For the 12 months ended September 30, 2014 | | | | | | Total All Centers | |
|----------------------------------|--|---------------------------------|-------------------|----------------|------------------------|--------------------------------|-------------------|---------------------------|
| | Central Office | St. Paul Douglass Blvd Day Care | Eastern Star Home | Adult Day | Outreach Older Persons | Individual & Family Assistance | | Highland Youth Recreation |
| SUPPORT AND REVENUE | | | | | | | | |
| Fees | | \$1,171,068 | \$940,152 | \$ 73,644 | \$ 79,014 | \$ 17,720 | \$62,011 | \$2,246,875 |
| Program income | \$ 39,593 | | | 7,604 | | | | 143,931 |
| Program grant and subsidies | | | | 41,054 | 83,820 | 52,800 | | 177,674 |
| Church pledges | 13,200 | 2,000 | 2,000 | 4,900 | 24,711 | 40,034 | 2,909 | 89,754 |
| Gifts: | | | | | | | | |
| Unrestricted | 60,612 | 1,000 | 10,000 | 1,457 | 21,139 | 5,550 | 2,350 | 102,108 |
| Restricted | 150 | 5,819 | 2,879 | 1,299 | 1,728 | 61,364 | 800 | 61,364 |
| Earnings on invested funds | 3,784 | 634 | | 125 | 31,161 | 1,534 | | 14,209 |
| Miscellaneous | | | | | | | | 35,704 |
| Total Support and Revenue | 117,339 | 1,180,521 | 955,031 | 130,083 | 241,573 | 179,002 | 68,070 | 2,871,619 |
| EXPENSES | | | | | | | | |
| Program Services | | | | | | | | |
| Salary and benefits | 87,339 | 883,859 | 677,507 | 138,776 | 204,927 | 46,292 | 12,522 | 2,051,222 |
| Small equipment purchases | 807 | 5,015 | 2,915 | 1,601 | 1,704 | | | 12,042 |
| Depreciation expense | 408 | 2,103 | 12,660 | 478 | | 277 | | 15,926 |
| Food costs | | 88,090 | 63,099 | 5,314 | 2,662 | | | 159,165 |
| Homecare | | | | | 2,135 | | | 2,135 |
| Insurance | 3,281 | 14,007 | 13,870 | 6,107 | 2,131 | 3,410 | 1,279 | 44,085 |
| Miscellaneous | 600 | 3,184 | 2,382 | 673 | 422 | 100 | | 7,361 |
| Premises | 6,630 | 42,057 | 54,109 | 3,105 | 7,865 | 6,571 | | 120,337 |
| Postage | 844 | | | 468 | 1,219 | 98 | | 2,629 |
| Program costs | 40,304 | 59,424 | 53,300 | 12,883 | 57,378 | 12,088 | 37,962 | 273,339 |
| Staff training | 661 | 4,541 | 4,221 | 750 | | | | 10,173 |
| Travel | 1,080 | 205 | 813 | 16 | 2,347 | | | 4,461 |
| Welfare program | | | | | | 95,614 | | 95,614 |
| Total Program Services | 141,954 | 1,102,485 | 884,876 | 170,171 | 282,790 | 164,450 | 51,763 | 2,798,489 |
| (CONTINUED) | | | | | | | | 2,792,422 |

See accompanying notes to financial statements

COMBINING STATEMENT OF ACTIVITIES – OPERATING CENTERS
(with comparative totals for the twelve months ended September 30, 2013)--CONTINUED

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2014

| SCHEDULE 2 | For the 12 months ended September 30, 2014 | | | | | | | For the 12 months ended Sept. 30, 2013 | |
|---|--|---------------------------------|-------------------|-------------|------------------------|--------------------------------|---------------------------|--|-------------------------|
| | Central Office | St. Paul Douglass Blvd Day Care | Eastern Star Home | Adult Day | Outreach Older Persons | Individual & Family Assistance | Highland Youth Recreation | | Total Operating Centers |
| EXPENSES | | | | | | | | | |
| Fund Raising | | | | | | | | | |
| Fund Raising | | | | | | | | | |
| Salary and benefits | \$ 3,667 | | | | | | | \$ -0- | \$ 10,482 |
| | 3,667 | | | | | | | 3,667 | 3,545 |
| Total Fund Raising | | | | | | | | | 14,027 |
| Management and General | | | | | | | | | |
| Administrative | (71,141) | \$ 28,607 | \$ 33,093 | \$ 14,771 | \$ 16,646 | \$ 15,114 | \$ 12,000 | 49,090 | 45,679 |
| Accounting | 42,079 | | | | 2,200 | | | 44,279 | 28,771 |
| Interest expense | 1,337 | | | | | | | 1,337 | |
| Salary and benefits | 7,339 | 46,636 | 45,621 | | 2,969 | | | 99,596 | 111,234 |
| Printing | | | | | 2,434 | 2,030 | | 2,969 | 2,399 |
| Telephone | 2,615 | 2,586 | 2,748 | 1,919 | 2,434 | | | 14,332 | 10,917 |
| Total Management and General | (17,771) | 77,829 | 81,462 | 16,690 | 24,249 | 17,144 | 12,000 | 211,603 | 199,000 |
| Total expenses | 127,850 | 1,180,314 | 966,338 | 186,861 | 307,039 | 181,594 | 63,763 | 3,013,759 | 3,005,449 |
| Operating revenue over (under) expenses | (10,511) | 207 | (11,307) | (56,778) | (65,466) | (2,592) | 4,307 | (142,140) | (194,984) |
| OTHER REVENUE | | | | | | | | | |
| Inter-fund revenue | | | | | | | | | 95,979 |
| Unrealized gain on investments | | 8,778 | 4,343 | 1,960 | 2,606 | 2,314 | 1,207 | 21,208 | 27,101 |
| Revenue over (under) expenses | \$ (10,511) | \$ 8,985 | \$ (6,964) | \$ (54,818) | \$ (62,860) | \$ (278) | \$ 5,514 | \$ (120,932) | \$ (71,904) |

HIGHLANDS COMMUNITY MINISTRIES, INC.

SCHEDULE OF PROGRAM ACTIVITIES – ADULT DAY CARE

State Grantor: Commonwealth of Kentucky, Cabinet for
Health and Family Services
Pass-through Grantor: KIPDA
Program Title: Adult Day Care
Pass-through Contract Number: M-06156729 – (HIGH)
Period of Contract: October 1, 2013 to September 30, 2014

| REVENUES | <u>Contract Budget</u> | <u>Actual</u> | | |
|---|---|--------------------------------------|-------------|--------------------------|
| State funds | <u>\$8,284</u> | <u>\$8,284</u> | | |
| Total Revenues | <u>\$8,284</u> | <u>\$8,284</u> | | |
| | <u>Contract Budgeted Units*</u> | <u>Actual Units Provided</u> | <u>Rate</u> | <u>Amount Earned</u> |
| UNITS OF SERVICE | | | | |
| Adult Day Health Care | 1,689 | 1,689 | \$4.00 | \$6,756 |
| Alzheimer's Respite in Day Care | 376 | 376 | 4.00 | 1,504 |
| Case Management | <u>6</u> | <u>6</u> | 4.00 | <u>24</u> |
| Total | <u>2,071</u> | <u>2,071</u> | | 8,284 |
| Client billings | | | | <u>-0-</u> |
| KIPDA Revenues earned | | | | <u>\$8,284</u> |
| Lesser of amount earned or contract amount | | | | 8,284 |
| Actual revenues received from KIPDA | | | | <u>8,284</u> |
| Excess of amount earned over revenue received - classified as receivable in the general purpose financial statements. | | | | <u>-0-</u> |

*As ordered by KIPDA

See accompanying notes to financial statements

HIGHLANDS COMMUNITY MINISTRIES, INC.**General Information**

| | |
|-----------------------------|--|
| Organization Number | 0022972 |
| Name | HIGHLANDS COMMUNITY MINISTRIES, INC. |
| Profit or Non-Profit | N - Non-profit |
| Company Type | KCO - Kentucky Corporation |
| Status | A - Active |
| Standing | G - Good |
| State | KY |
| File Date | 5/4/1970 |
| Organization Date | 5/4/1970 |
| Last Annual Report | 3/9/2015 |
| Principal Office | 1228 E. BRECKINRIDGE ST. BOX #2 LOUISVILLE, KY 40204 |
| Registered Agent | TROY BURDEN 1140 CHEROKEE RD. LOUISVILLE, KY 40204 |

Current Officers

| | |
|-----------------------|----------------------------|
| President | <u>PATRICIA WILLIS</u> |
| Vice President | <u>MARY KAY FLEGE</u> |
| Secretary | <u>LAURI WADE</u> |
| Treasurer | <u>LAURI WADE</u> |
| Director | <u>MARTY HAGEMAN</u> |
| Director | <u>KEVIN CHILDRESS</u> |
| Director | <u>RALPH RISIMINI</u> |
| Director | <u>MAUREEN NORRIS, PHD</u> |
| Director | <u>ERIC HOFFMANN</u> |

Individuals / Entities listed at time of formation

| | |
|---------------------|-------------------------|
| Director | <u>LOWELL ARMSTRONG</u> |
| Director | <u>CHAS L TIMBLER</u> |
| Director | <u>ALICIA RICKERT</u> |
| Director | <u>MARGARET STRIEPE</u> |
| Director | <u>EDGAR C RITCHIE</u> |
| Incorporator | <u>EDGAR RITCHIE</u> |

Images available online

Documents filed with the Office of the Secretary of State on September 15, 2004 or thereafter are available as scanned images or PDF documents. Documents filed prior to September 15, 2004 will become available as the images are created.

Annual Report

3/9/2015

1 page

PDF

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| Principal Office Address Change | 7/22/2014 6:01:24 PM | 1 page | PDF | |
| Annual Report | 3/25/2014 | 1 page | tiff | PDF |
| Annual Report | 2/21/2013 | 1 page | tiff | PDF |
| Registered Agent name/address change | 3/27/2012 3:38:23 PM | 1 page | PDF | |
| Annual Report | 2/22/2012 | 1 page | tiff | PDF |
| Annual Report | 2/9/2011 | 2 pages | tiff | PDF |
| Annual Report | 3/5/2010 | 2 pages | tiff | PDF |
| Annual Report | 1/14/2009 | 3 pages | tiff | PDF |
| Annual Report | 1/18/2008 | 2 pages | tiff | PDF |
| Annual Report | 1/12/2007 | 2 pages | tiff | PDF |
| Annual Report | 1/26/2006 | 3 pages | tiff | PDF |
| Annual Report | 2/16/2005 | 1 page | tiff | PDF |
| Annual Report | 5/2/2003 | 2 pages | tiff | PDF |
| Annual Report | 3/27/2002 | 2 pages | tiff | PDF |
| Annual Report | 4/17/2001 | 2 pages | tiff | PDF |
| Annual Report | 4/19/1999 | 2 pages | tiff | PDF |
| Annual Report | 4/24/1998 | 2 pages | tiff | PDF |
| Annual Report | 7/1/1997 | 2 pages | tiff | PDF |
| Annual Report | 7/1/1996 | 2 pages | tiff | PDF |
| Annual Report | 7/1/1995 | 2 pages | tiff | PDF |
| Annual Report | 3/24/1994 | 2 pages | tiff | PDF |
| Annual Report | 3/17/1993 | 2 pages | tiff | PDF |
| Annual Report | 3/18/1992 | 2 pages | tiff | PDF |
| Annual Report | 7/1/1991 | 1 page | tiff | PDF |
| Annual Report | 7/1/1990 | 2 pages | tiff | PDF |
| Annual Report | 7/1/1989 | 2 pages | tiff | PDF |
| Annual Report | 7/1/1988 | 1 page | tiff | PDF |

Assumed Names

Activity History

| Filing | File Date | Effective Date | Org. Referenced |
|---------------------------------|-------------------------|-------------------------|-----------------|
| Annual report | 3/9/2015 1:29:22 PM | 3/9/2015 1:29:22 PM | |
| Principal office change | 7/22/2014 6:01:24 PM | 7/22/2014 6:01:24 PM | |
| Annual report | 3/25/2014 2:10:33 PM | 3/25/2014 | |
| Annual report | 2/21/2013 9:20:00 AM | 2/21/2013 | |
| Registered agent address change | 3/27/2012 3:38:23 PM | 3/27/2012 3:38:23 PM | |
| Annual report | 2/22/2012 9:38:55 AM | 2/22/2012 | |
| Annual report | 2/9/2011 4:21:36 PM | 2/9/2011 | |
| Annual report | 3/5/2010 | 3/5/2010 | |

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| Annual report | 1/14/2009 | 1/14/2009 |
| | 5:18:08 PM | |
| Annual report | 1/18/2008 | 1/18/2008 |
| | 2:20:15 PM | |
| Annual report | 1/12/2007 | 1/12/2007 |
| | 1:33:13 PM | |
| Annual report | 1/26/2006 | 1/26/2006 |
| | 11:37:36 AM | |

Microfilmed Images

Microfilm images are not available online. They can be ordered by faxing a Request For Corporate Documents to the Corporate Records Branch at 502-564-5687.

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|---------------------------|-----------|----------|
| Annual Report | 2/14/2005 | 1 page |
| Annual Report | 3/24/2004 | 2 pages |
| Annual Report | 5/2/2003 | 2 pages |
| Annual Report | 3/27/2002 | 2 pages |
| Annual Report | 4/17/2001 | 2 pages |
| Annual Report | 5/1/2000 | 2 pages |
| Annual Report | 4/19/1999 | 2 pages |
| Annual Report | 4/24/1998 | 2 pages |
| Annual Report | 7/1/1997 | 2 pages |
| Annual Report | 7/1/1996 | 2 pages |
| Annual Report | 7/1/1995 | 2 pages |
| Annual Report | 3/24/1994 | 2 pages |
| Annual Report | 3/17/1993 | 2 pages |
| Annual Report | 3/18/1992 | 2 pages |
| Annual Report | 7/1/1991 | 1 page |
| Annual Report | 7/1/1990 | 2 pages |
| Annual Report | 7/1/1989 | 2 pages |
| Annual Report | 7/1/1988 | 1 page |
| Statement of Change | 9/29/1982 | 2 pages |
| Annual Report | 5/24/1971 | 10 pages |
| Articles of Incorporation | 5/4/1970 | 5 pages |

Internal Revenue Service

Department of the Treasury

District
Director

P.O. Box 2508, Cincinnati, OH 45201

Highlands Community Ministries, Inc
1140 Cherokee Rd.
Louisville, KY 40204

Person to Contact:
Joseph Russo

Telephone Number:
(513) 684-3866

Refer Reply to:
EP/EO Division

Date:

OCT 10 1986

Dear Sir or Madam:

This is in response to your claim that you are not liable to file Form 990, Return of Organization Exempt from Income Tax.

Our records indicate that you are recognized as exempt under section 501(c)(3) of the Internal Revenue Code of 1954. Furthermore, you are classified as an organization that is not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Revenue Procedure 86-23, in part, provides that an organization recognized as exempt under section 501(c)(3) of the Code which is affiliated with a church or an association of churches and internally supported is not required to file Form 990.

As your organization has provided information to show that you meet the requirements of Revenue Procedure 86-23, you are no longer required to file Form 990.

Please let us know about any future change in the name, address, character, or method of operation of your organization so we may determine the effects on your exempt status, foundation status, and filing requirements.

Thank you for your cooperation.

Sincerely yours


James J. Ryan
District Director

SECRETARY OF STATE

RECEIVED SECRETARY OF STATE
MAY 2 1970 RECEIVED
APR 24 1970

ARTICLES OF INCORPORATION

OF Commonwealth of Kentucky
Commonwealth of Kentucky

HIGHLANDS COMMUNITY MINISTRIES, INC.

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned does hereby form a corporation in accordance with the provisions of Chapter 27 of the Kentucky Revised Statutes and adopt the following as Articles of Incorporation.

ARTICLE I

The name of the corporation shall be HIGHLANDS COMMUNITY MINISTRIES, INC.

ARTICLE II

The corporation shall have perpetual existence.

ARTICLE III

The purpose of the corporation shall be to provide a Christian ministry to persons in the Highland area of Louisville, to enable them to gain a mature and meaningful self-image as God's creatures; and to provide program and activity that will foster human growth and development without regard to race, creed or color.

ARTICLE IV

The corporation shall be operated as a non-profit corporation, exclusively for charitable and educational purposes within the meaning of Section 501, of the Internal Revenue Code.

of 1954, as from time to time amended, and shall have and may exercise all powers given to non-profit corporations under the provisions of KRS 273, subject only to the limitation that not withstanding any other provisions of these articles, the corporation shall have only such powers as may be exercised in furtherance of its tax exempt purposes and as may be exercised by an organization for purposes similar to those of this corporation, exempt under Section 501 of the Internal Revenue Code.

ARTICLE V

The members of the corporation shall consist of those congregations, institutions and organized groups in the Highland Area which desire to affiliate with the corporation and to work cooperatively for the purposes of the corporation.

ARTICLE VI

The affairs of the corporation shall be managed by a Board of Directors. The names and post office address of the persons who shall serve as directors until their successors are duly qualified, are as follows:

| <u>Name</u> | <u>Address</u> |
|--------------------|--|
| Lowell Armstrong | 13 Denham Road Louisville, Kentucky 40205 |
| Charles L. Kimbler | 2842 Tremont Drive Louisville, Kentucky 40205 |
| Alicia Rickert | 1740 Chichester Avenue Louisville, Kentucky 40205 |
| Edgar C. Ritchie | 2914 Avon Road Louisville, Kentucky 40220 |
| Margaret Striepe | 1707 Deer Wood Avenue Louisville, Kentucky 40205 |
| Felix Sanders | 506 Briar Hill Road Louisville, Kentucky 40206 |

The number of directors, their qualifications, terms of office, manner of election, removal, change of number, filling of vacancies and of newly created directorships, powers, duties and liabilities, shall except as otherwise provided in these articles or by the laws of the State of Kentucky be as prescribed by the By-Laws.

The directors shall elect the regular officers of the corporation in the manner provided in the By-Laws. The directors and officers shall serve without compensation.

ARTICLE VII

No part of the net earnings of the corporation shall be distributed to or inure to the benefit of any member, director or officer of this corporation, contributor, or private individual. In the event of dissolution winding up or other liquidation of the assets of this corporation, its assets shall be distributed to non-profit and charitable corporations or institutions as may qualify for exemption under the provisions of Section 501 of the Internal Revenue Code and as may be designated by the directors to be used for purposes similar to those of this corporation.

ARTICLE VIII

The address of the initial registered office of the corporation is 2914 Avon Road, Louisville, Kentucky, and the name of its initial registered agent at such address is Edgar C. Ritchie.

ARTICLE IX

These articles of incorporation may be amended, by

the majority vote of the members of the Board of Directors, having the right to vote, present at a duly called meeting of the Board of Directors, at which a quorum is present, and of which at least ten (10) days written notice has been given.

IN WITNESS WHEREOF, I have hereunto set my hand this

17 day of April, 1970.

Edgar C. Ritchie
EDGAR C. RITCHIE

STATE OF KENTUCKY)
(SS
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public, in and for the State and County aforesaid, do certify that the foregoing Articles of Incorporation were this day produced to me by the said Edgar C. Ritchie, party thereto, in said county and state and then and there acknowledged by him to be his act and deed this 17 day of April, 1970.

Arthur E. Hornsman
Notary Public, Jefferson County, Ky.
My Commission expires: August 27, 1973
My commission expires August 27, 1973

THIS INSTRUMENT PREPARED BY:

Lively M. Wilson
LIVELY M. WILSON, Attorney
Stites & McElwain
1212 Kentucky Home Life Bldg.
Louisville, Kentucky 40202
Phone: 589-3920

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RECORDED
Shirley Begley
MAY 4 1970

SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY
BY William P. Helms
ASSISTANT SECRETARY OF STATE

**LOUISVILLE METRO COUNCIL
NEIGHBORHOOD DEVELOPMENT FUND SUPPLEMENTAL
DISCLOSURE REQUIRED FOR REQUESTS BY CHURCHES, RELIGIOUS
OR FAITH-BASED ORGANIZATIONS**

It is the policy of the Louisville/Jefferson County Metro Council that no appropriation to a Church, to a religious or faith-based organization, or to any organization whose activities support a Church or religious or faith-based organization will be approved unless the prospective grantee clearly demonstrates, in writing, that it is committed to compliance with each of the following conditions and requirements.

Legal Name of Applicant Organization:

Highlands Community Ministries, Inc.

As in the case of all legislative enactments, the appropriation must be for a public purpose. In other words, the appropriation must have a secular legislative purpose to support a program which benefits the public, and which has been, or could be undertaken by the government.

The appropriation must be totally and demonstrably earmarked for the beneficiary activity or program with no tangible or significantly intangible benefit inuring to the organization. Specifically, the appropriation may not fund equipment used by the organization, nor may it be used for improvements to real or personal property owned by the grantee church or organization.

The beneficiary activity or program must be open to the public as opposed to being restricted to church or organization members or affiliates.

The grantee church or organization may not use public funds in any way that involves worship, religious instruction, or religious practice.

Public funds involved in the grant may not be used to support a school or any program of instruction operated by the grantee church or organization, or in its name.

The grantee organization may not use public funds in any way that involves proselytization or self-promotion of the organization.

The grantee church or organization must establish and maintain a system of recordkeeping which clearly and completely documents its use of the public funds involved in the grant.

SIGNATURE

I agree under the penalty of law to comply with all the items in this disclosure. I am aware my organization will not be eligible for funding if investigation at any time shows falsification. If falsification is shown after funding has been approved, any allocations already received and expended are subject to be repaid. I further certify that I am legally authorized to sign this disclosure for the applying organization.

Signature of Legal Signatory:

Date: **12/7/2015**

Legal Signatory (please print): **Troy D. Burden**

Title: **Executive Director**

Phone: **451-3695** Extension:

Email: **tburden@hcmlouisville.org**