

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

Applicant/Program: Highland Community Ministries
Applicant Requested Amount: \$10,000
Appropriation Request Amount: \$10,000

Executive Summary of Request
\$10,000 for the Highlands Community Ministries senior lunch program which provides lunch, educational and recreational opportunities for seniors Monday Wednesdays and Fridays

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 [Signature] \$10,000 8/1/18
District # Primary Sponsor Signature Amount 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.

N/A

Approved by:

Appropriations Committee Chairman Date
Final Appropriations Amount: _____

Applicant/Program:

Highland Community Ministries Senior Lunch Program

Additional Disclosure and Signatures

Additional Council Office 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.

District 16 _____ \$ _____

District 17 _____ \$ _____

District 18 _____ \$ _____

District 19 _____ \$ _____

District 20 _____ \$ _____

District 21 _____ \$ _____

District 22 _____ \$ _____

District 23 _____ \$ _____

District 24 _____ \$ _____

District 25 _____ \$ _____

District 26 _____ \$ _____

**LOUISVILLE METRO COUNCIL
NEIGHBORHOOD DEVELOPMENT FUND APPLICATION**

Legal Name of Applicant Organization Highland Community Ministries

Program Name and Request Amount Senior Lunch Program/ \$10,000

	Yes/No/NA
Is the NDF Transmittal Sheet Signed by all Council Member(s) Appropriating Funding?	Yes <input type="checkbox"/>
Is the funding proposed by Council Member(s) less than or equal to the request amount?	Yes <input type="checkbox"/>
Is the proposed public purpose of the program viable and well-documented?	Yes <input type="checkbox"/>
Will all of the funding go to programs specific to Louisville/Jefferson County?	Yes <input type="checkbox"/>
Has Council or Staff relationship to the Agency been adequately disclosed on the cover sheet?	N/A <input type="checkbox"/>
Has prior Metro Funds committed/granted been disclosed?	N/A <input type="checkbox"/>
Is the application properly signed and dated by authorized signatory?	Yes <input type="checkbox"/>
Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?	Yes <input type="checkbox"/>
If Metro funding is for a separate taxing district is the funding appropriated for a program outside the legal responsibility of that taxing district?	N/A <input type="checkbox"/>
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? 	Yes <input type="checkbox"/>
Is the current Fiscal Year Budget included?	Yes <input type="checkbox"/>
Is the entity's board member list (with term length/term limits) included?	Yes <input type="checkbox"/>
Is recommended funding less than 33% of total agency operating budget?	Yes <input type="checkbox"/>
Does the application budget reflect only the revenue and expenses of the project/program?	Yes <input type="checkbox"/>
Is the cost estimate(s) from proposed vendor (if request is for capital expense) included?	N/A <input type="checkbox"/>
Is the most recent annual audit (if required by organization) included?	Yes <input type="checkbox"/>
Is a copy of Signed Lease (if rent costs are requested) included?	N/A <input type="checkbox"/>
Is the Supplemental Questionnaire for churches/religious organizations (if requesting organization is faith-based) included?	N/A <input type="checkbox"/>
Are the Articles of Incorporation of the Agency included?	Yes <input type="checkbox"/>
Is the IRS Form W-9 included?	Yes <input type="checkbox"/>
Is the IRS Form 990 included?	N/A <input type="checkbox"/>
Are the evaluation forms (if program participants are given evaluation forms) included?	N/A <input type="checkbox"/>
Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required to do so)?	N/A <input type="checkbox"/>
Has the Agency agreed to participate in the BBB Charity review program? If so, has the applicant met the BBB Charity Review Standards?	N/A <input type="checkbox"/>
Prepared by: Jasmine Weatherby	Date: 7.30.18

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	5/15/2018
Principal Office	1228 E. BRECKINRIDGE ST. BOX #2 LOUISVILLE, KY 40204
Registered Agent	TROY BURDEN 1228 EAST BRECKINRIDGE ST LOUISVILLE, KY 40204

Current Officers

President	<u>ROBERT KAHNE</u>
Vice President	<u>JULIE SENN-REEVES</u>
Secretary	<u>LAURI WADE</u>
Treasurer	<u>MARY KAY FLEGE</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.

<u>Annual Report</u>	5/15/2018	1 page	<u>PDF</u>
<u>Registered Agent name/address change</u>	4/26/2017 10:41:19 AM	1 page	<u>PDF</u>

Annual Report	4/26/2017	1 page	PDF	
Annual Report	6/30/2016	1 page	PDF	
Annual Report	3/9/2015	1 page	PDF	
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	5/15/2018 5:26:09 PM	5/15/2018 5:26:09 PM	
Annual report	4/26/2017 10:49:34 AM	4/26/2017 10:49:34 AM	
Registered agent address change	4/26/2017 10:41:19 AM	4/26/2017 10:41:19 AM	
Annual report	6/30/2016 12:59:17 PM	6/30/2016 12:59:17 PM	
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 1:43:41 PM	3/5/2010
Annual report	1/14/2009 5:18:08 PM	1/14/2009
Annual report	1/18/2008 2:20:15 PM	1/18/2008
Annual report	1/12/2007 1:33:13 PM	1/12/2007
Annual report	1/26/2006 11:37:36 AM	1/26/2006

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.

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

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION			
Legal Name of Applicant Organization: Highlands Community Ministries Inc. <i>(as listed on: http://www.sos.ky.gov/business/records)</i>			
Main Office Street & Mailing Address: 1228 East Breckinridge Street			
Website: hcmlouisville.org			
Applicant Contact:	Mary Lynne Masterson	Title:	Grants Compliance Officer
Phone:	502-459-0132	Email:	mmasterson@hcmlouisville.org
Financial Contact:	John Moll	Title:	Accountant
Phone:	502-451-3695	Email:	jmoll@hcmlouisville.org
Organization’s Representative who attended NDF Training: Mary Lynne Masterson			
GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED			
Program Facility Location(s):	1228 East Breckinridge Street		
Council District(s):	8	Zip Code(s):	40204; 40205
SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION			
PROGRAM/PROJECT NAME: Lunch Program serving clients Age 50-60			
Total Request: (\$)	10,000	Total Metro Award (this program) in previous year: (\$)	10000
Purpose of Request (check all that apply):			
<input type="checkbox"/> Operating Funds (generally cannot exceed 33% of agency’s total operating budget) <input checked="" type="checkbox"/> Programming/services/events for direct benefit to community or qualified individuals <input type="checkbox"/> Capital Project of the organization (equipment, furnishing, building, etc)			
The Following are Required Attachments:			
IRS Exempt Status Determination Letter Current year projected budget Current financial statement Most recent IRS Form 990 or 1120-H Articles of Incorporation (current & signed) 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 applicable	
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.			
Source:	HCM Outreach Program	Amount: (\$)	30,000
Source:	IFAP	Amount: (\$)	42,500
Source:		Amount: (\$)	
Has the applicant contacted the BBB Charity Review for participation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Has the applicant met the BBB Charity Review Standards? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

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 it's missions by providing services through following programs:

Childcare centers (3); Adult Day Center; Meals on Wheels; Shaffer Enrichment Senior Center; Senior Center at the HCC building; Senior Outreach Program (social services and wellness activities); Youth Recreation; Individual Family Assistance Program (Emergency family assistance, Dare To Care Food Pantry, Practical Educaiton Classes, Back to School Supplies, Thanksgiving and Christmas baskets, gift cards and gifts; Highlands Community Campus and (in partnership with Bellarmine University) Highlands Court Apartments (HUD section 8 low income housing for seniors and disabled).

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 4 - BOARD OF DIRECTORS AND PAID STAFF

Board Member	Term End Date
The following are HCM board memeber:	n/a
Bardstown Road Presbyterian Church-Marty Hagerman, Alicia Bloos, Kris Bloos	
Bellarmino Campus Ministry-Maureen Norris, Julie Sen-Reeves	
Christ Evangelical UCC-Karen Barth, Shirley Powell	
Church of the Advent Episcopal-Mary Kay Flege, Kathy Pagles	
Concorida Luthern Church-Rev Michael Boyd, Ida Boyd	
Deer Park Baptist Church- Tom Coursen	
Douglass Boulevard Christian Church-Maurice LeFevre, Kren O'Hara	
Highland Baptist Church-Carol Balton, Robert Kahne	
Highland Presbyterian Church-Judy Zitter	
Immanuel United Church of Christ-David Gibson, Ellen Galbraith	
St Agnes Catholic Church-Anneluise Montgomery, Elizabeth Walker	
St Andrew's Episcopal Church-Cindy Read, Patricia Hobbs Willis	
St Bridget Catholic Church-Kenneth Howe, Ralph & Cissie Risimini	
St Francis of Assisi Catholic Church-Tom Herman	
St James Catholic Church- Leslie Fowler	
St Paul United Methodist Church-Kevin Childress	

Describe the Board term limit policy:

Please Note: Continued Board Members: St Raphael Catholic Church-John Tichenor, William Lippy;
 Strathmoor Presbyterian Church-Cheryl Branch; Vine Street Baptist Church-Diane Blair
 Member at Large-Verna Jean Adams, Terra Long

All board members are appointed by member congregations and do not serve term limits. Officers of HCM Board serve several years.

Three Highest Paid Staff Names	Annual Salary
Troy Burden-Executive Director	76,500
Debbie Boarst-Child Day Care Director	55,080
John Moll- Accountant	53,550

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 5 – 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.):

This is lunch program offered to individuals between the ages of 50-60 located at the HCC building 1228 East Breckinridge Street. This program will begin July 1 2018 or once funds are awarded and continue indefinitely. Lunch will be served Mondays Wednesdays and Fridays from 12-1 p.m. Coffee, snacks and health promoting, educational and recreational activities are offered to clients interested in participating before lunch is served. The actual operating hours will be from 9:30 a.m. to 1 p.m.

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

HCM is requesting 10,000

The following is a breakdown of how the funding will be spent:

HCM Private Lunch Program 2018/2019

Income:

NDF \$10,000

Expense:

Lunches \$6200 (1505 hot lunches x \$4.12 per meal)

Kitchen Supervisor \$3800 (152 days of service x \$25)

Total \$10000

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:

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.

Reimbursements should not be made before application date 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.

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 Wait list: Wait clients are waiting to be served through the Louisville Metro Senior Nutrition Program-Title III-C, HCM offers home delivered meals to frail elderly in the zip codes 40204 and 40205 a service area so they can receive a meal as well as be checked on while they are waiting to get on Title III-C Meal program.

Lunch program located at the HCC building serves seniors and disabled low income adults aged 50 and over

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 has a subcontract with Louisville Metro Senior Nutrition for Meals on Wheels.

HCM has a contract with KIPDA Title III B and D.

HCM works with the Association of Community Ministries to secure emergency financial assistance for clients from the Louisville Water Company and Louisville Gas and Electric Company.

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

HCM partners with 20 member congregations in zips 40204 and 40205 to provide HCM board of directors as well as financial support.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 6 – 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 (See Detailed List on Page 8)			
G: Professional Service Contracts			
H: Program Materials	10000	0	10000
I: Community Events & Festivals (See Detailed List on Page 8)			
J: Machinery & Equipment			
K: Capital Project			
L: Other Expenses (See Detailed List on Page 8)			
*TOTAL PROGRAM/PROJECT FUNDS			
% of Program Budget	%	%	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 Revenue for Columns 2 Expenses **	

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

**Must equal or exceed total in column 2.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail for Client Assistance, Community Events & Festivals or Other Expenses shown on Page 7 (circle one and use multiple sheets if necessary)	Column 1	Column 2	Column (1 + 2)=3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
N/A			
Total			

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
<p align="center"><i>Total Value of In-Kind</i> (to match Program Budget Line Item. Volunteer Contribution & Other In Kind)</p>		

*** 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:

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:

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 7 – 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 and the funds will not be disbursed to our organization.**

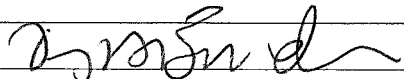
Standard Certifications

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 8 – 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:	5/9/18
Legal Signatory: (please print):	Troy Burden	Title:	Executive Director
Phone:	502-451-3695	Extension:	200
Email:	tburden@hcmloouisville.org		

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



▷ Highland 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.

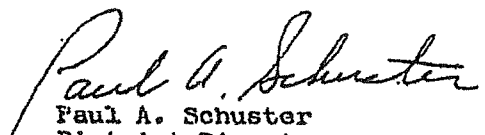
You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or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

Highlands Community Ministries

2017-2018 Budget

Summary Combined HCM Budget

<u>DESCRIPTION</u>	<u>2017-2018 Budget</u>
<u>Revenues</u>	
St.Paul/Douglas Day Care	1,360,767
Eastern Star Day Care	1,075,234
Adult Day Center	208,200
Senior Outreach	198,589
Individual & Family Assistance	186,510
Highland Youth Recreation	69,524
Program Revenues	<u>3,098,824</u>
Central Office	295,878
Total Revenue	<u><u>3,394,702</u></u>
<u>Expenses (includes mgt fee, but not cap. equip)</u>	
<u>Total Budgeted Expenses</u>	
St.Paul/Douglas Day Care	1,357,269
Eastern Star Day Care	1,070,137
Adult Day Center	210,449
Senior Outreach	198,589
Individual & Family Assistance	204,165
Highland Youth Recreation	60,971
Program Expenses	<u>3,101,580</u>
Central Office	293,122
Totals	<u><u>3,394,702</u></u>
Excess/(Deficit)	<u><u>0</u></u>

Highlands Community Ministries

Actual vs Budget

10/01/17 - 03/31/18

<u>DESCRIPTION</u>	<u>Revenues &</u>	
	<u>Expenses</u>	<u>2017-2018</u>
	<u>10/01/17-</u>	<u>Annual</u>
	<u>03/31/18</u>	<u>Budget</u>
<u>Revenues</u>		
St.Paul/Douglas Day Care	671,209	1,360,767
Eastern Star Day Care	543,273	1,075,234
Adult Day Center	67,554	208,200
Senior Outreach	77,754	198,589
Individual & Family Assistance	95,996	186,510
Highland Youth Recreation	59,538	69,524
Program Revenues	1,515,324	3,098,824
Central Office	259,867	222,380
Total Revenue	1,775,191	3,321,204
<u>Expenses</u>		
St.Paul/Douglas Day Care	650,177	1,357,269
Eastern Star Day Care	490,984	1,070,137
Adult Day Center	93,795	210,449
Senior Outreach	100,530	198,589
Individual & Family Assistance	83,476	204,165
Highland Youth Recreation	29,436	60,971
Program Expenses	1,448,398	3,101,580
Central Office	135,843	293,122
Totals	1,584,241	3,394,702
Excess/(Deficit) (Note 1)	190,950	-73,498

Note 1: our major fundraising activities for the year all took place in the first half of our fiscal year; we expect the "Excess" showing above to decrease in the second half of the fiscal year.

Highlands Community Ministries

2017/2018 Budget

Senior Outreach Program

<u>DESCRIPTION</u>	<u>2016-2017</u> <u>Budget</u>	<u>2017-2018</u> <u>Budget</u>	
<u>Revenues</u>			
40000	Congregations	28,000	28,000
41000	Individual and Group	1,667	0
41100	Client Donations to Sr. Outreach (donations meal c	3,025	3,025
45400	Tai Chi Beginner'sClass	400	0
45400	General donations (tai chi, Zumba gold)	2,058	2,058
45100	Wait List donations	1,274	1,274
45000	Private Pay Home (meal deliveries, 2 people curre	2,160	2,500
45100	Mobile Meals IIIC (donations to IIIC meals prog.)	1,900	1,900
45200	Title III-C reimbursement	14,000	14,000
45300	Title III-B Senior Center	31,365	34,850
45400	Title III-B Program Income (donations to activities)	1,500	1,100
45600	Title III-D Health Promotion	2,291	2,291
45700	NDF Lunch Grant	10,000	10,000
45800	Highlands Court Contract	30,000	30,000
45850	Highlands Court Nonprofit Contract	35,000	35,000
45900	Transportation (Kroger, MidCity Mall, etc)	830	830
45910	Day Trips (Stans trips)	0	1,600
52050	Louisville Metro EAF	42,500	30,000
various	Allocated from Central Office (fundraising \$\$s)	18,410	161
	Total Revenues	226,380	198,589
<u>Expenses</u>			
60000	Wages operational	77,116	52,665
60200	wages III-B	17,276	15,398
60300	wages III-D	491	200
60400	wages EAF	42,500	30,000
60900	FICA	11,285	7,517
62000	Medical Insurance	21,356	21,469
62100	Life Insurance	211	118
	Insurance:		
63000	commercial package	1,025	1,171
63200	D & O	172	36
63400	workers comp.	1,845	1,816
64000	Office Supplies	3,000	3,000
64100	Postage	687	700
64400	Rent	4,800	4,800
64500	Telephone	1,800	1,260
64900	Staff Development	500	500
64920	Staff Recognition	500	500
64930	Travel Reimbursement	1,500	1,500
64950	Criminal Record checks	200	200
65100	Janitorial Supplies	500	500

67000	Food & Food Supplies	4,500	4,500
68200	Community Education and Outreach	500	500
69010	Newsletter	2,700	1,000
69050	Postage for newsletter	1,000	300
69100	NDF Lunch Program	10,000	10,000
69200	Title III-B Program Expense (pd by activity donator Title III-B subcontractors:	1,500	1,600
69210	Tai Chi Beginner instructor	200	
69210	Tai Chi 75 per week	3,750	3,750
69220	Exercise 75 per week	3,750	3,750
69230	Restorative Therapy-Music therapy	600	624
69240	Massage Therapy/Wellness with Jan	600	624
69250	Nutrition 50 per month	600	0
69260	Empty Vessels-Wellness Class	600	600
69270	Line Dancing 50 per week	2,600	2,600
69220	Zumba	840	
69240	Fine art with Carol	0	600
69220	Yoga	0	1,220
69240	Paint it Sweet	0	250
69400	Title III-D Expenses	1,800	2,091
69500	Highlands Court Expense (exercise instr., etc.)	2,674	3,750
69550	HC Miscellaneous	900	900
69910	Reimb to Metro (of donations to IIC meals prog)	1,920	1,900
69950	Private Pay Home (meal deliveries, 2 people currel	2,160	1,250
69980	Day Trips	0	1,300
69990	Vehicle Maintenance	1,200	1,200
79100	Equipment Exp.	1,000	1,000
	Total Operational Expenses	<u>232,158</u>	<u>188,660</u>
	Operational Surplus/(Deficit)	-5,778	9,929
99000	Management Fee	11,319	9,929
	Total Surplus/(Deficit)	<u>-17,097</u>	<u>0</u>

various Contribution to Program's Reserve Fund
Capital Equipment

Highlands Community Ministries
Budget vs. Actual by Programs/Projects
October 2017 through March 2018

Accrual Basis

	04 Senior Outreach Program			
	Oct '17 - Mar 18	Budget	\$ Over Budget	% of Budget
Income				
40000 · Congregations Donations	0.00	0.00	0.00	0.0%
40099 · Congreg. Dons. - Allocated Out	15,188.83	13,998.00	1,190.83	108.5%
41000 · Individuals & Groups Donations	1,260.00	0.00	1,260.00	100.0%
41099 · Inds & Groups - Allocated Out	0.00	0.00	0.00	0.0%
41100 · Client Donations to Sr Outreach	0.00	1,512.00	-1,512.00	0.0%
44400 · Meal Donations	0.00	0.00	0.00	0.0%
44500 · Program Reimbursements	78.00			
45000 · Private Pay Home meals	0.00	1,248.00	-1,248.00	0.0%
45100 · Mobile Meals III-C (donations)	1,856.47	948.00	908.47	195.8%
45200 · Title III-C Reimbursement	7,744.49	6,998.00	746.49	110.7%
45300 · Title III-B Senior Center (kipd	13,068.75	17,424.00	-4,355.25	75.0%
45400 · Title III-B Prog Inc (donations	387.00	548.00	-161.00	70.6%
45600 · Title III-D Health Promotion	0.00	1,145.00	-1,145.00	0.0%
45700 · NDF	6,666.00	4,998.00	1,668.00	133.4%
45800 · Highlands Court Contract	14,500.00	15,000.00	-500.00	96.7%
45850 · Highland Court Nonprof Contract	0.00	20,000.00	-20,000.00	0.0%
45900 · Transportation Fees	200.00	414.00	-214.00	48.3%
45910 · Day Trips Fees	1,804.00	798.00	1,006.00	226.1%
45970 · Out-of-Town Annual Trip Rev.	0.00	0.00	0.00	0.0%
48000 · Annual Campaign	0.00	0.00	0.00	0.0%
48099 · Annual Campaign - Allocated Out	0.00	161.00	-161.00	0.0%
48299 · Empty Bowls - Allocated Out	0.00	0.00	0.00	0.0%
48399 · Taste Highlands - Allocated Out	0.00	0.00	0.00	0.0%
49500 · HCM Community Classes/Events	0.00	0.00	0.00	0.0%
49990 · Miscellaneous Income	0.00	0.00	0.00	0.0%
52050 · Metro Lville EAF Grant - Sr Out	15,000.00	15,000.00	0.00	100.0%
56010 · Gheens Grants	0.00	0.00	0.00	0.0%
Total Income	77,753.54	100,192.00	-22,438.46	77.6%
Gross Profit	77,753.54	100,192.00	-22,438.46	77.6%
Expense				
60000 · Wages - operational	22,739.08	26,332.00	-3,592.92	86.4%
60050 · Wages - substitutes	0.00	0.00	0.00	0.0%
60200 · Wages - III B	8,187.10	7,699.00	488.10	106.3%
60300 · Wages - III D	0.00	100.00	-100.00	0.0%
60400 · Wages - EAF	19,207.90	15,000.00	4,207.90	128.1%
60610 · Wages - Gheens Grant	0.00	0.00	0.00	0.0%
60900 · FICA Exp. (employer's)	3,811.81	3,758.00	53.81	101.4%
62000 · Health Ins	9,479.82	10,734.00	-1,254.18	88.3%
62100 · Life Ins	61.80	60.00	1.80	103.0%
63000 · Insurance - Commercial Package	538.26	588.00	-49.74	91.5%
63100 · Insurance - Crime Policy	36.68			
63200 · Insurance - D & O	36.78	18.00	18.78	204.3%
63400 · Insurance - Workers Comp.	1,231.36	906.00	325.36	135.9%
64000 · Office Supplies	741.47	1,500.00	-758.53	49.4%
64100 · Postage	197.75	348.00	-150.25	56.8%
64150 · Printing & Copying	461.28	0.00	461.28	100.0%
64210 · Membership & Publications	0.00	0.00	0.00	0.0%
64400 · Rent Exp.	0.00	0.00	0.00	0.0%
64500 · Telephone	915.03	630.00	285.03	145.2%
64900 · Staff Development	0.00	248.00	-248.00	0.0%
64910 · Staff & Other Licensure Fees	210.00			
64920 · Staff Recognition	49.88	248.00	-198.12	20.1%
64930 · Travel Reimbursement	665.59	750.00	-84.41	88.7%
64950 · Criminal Records Checks	0.00	98.00	-98.00	0.0%
65000 · Housing	2,400.00	2,400.00	0.00	100.0%
65100 · Janitorial Supplies	0.00	248.00	-248.00	0.0%
65200 · Building Maintenance	0.00	0.00	0.00	0.0%
66200 · Hosting & Software License Fees	0.00	0.00	0.00	0.0%
67000 · Food & Food Supplies	912.36	2,250.00	-1,337.64	40.5%
68100 · Health Care	0.00	0.00	0.00	0.0%
68200 · Community Education & Outreach	0.00	248.00	-248.00	0.0%

Highlands Community Ministries
Budget vs. Actual by Programs/Projects
October 2017 through March 2018

Accrual Basis

04 Senior Outreach Program

	Oct '17 - Mar 18	Budget	\$ Over Budget	% of Budget
68400 · Medicaid Meals exp	0.00	0.00	0.00	0.0%
68450 · Paper Products	0.00	0.00	0.00	0.0%
69010 · Newsletter	5,811.64	498.00	5,313.64	1,167.0%
69050 · Postage for Newsletter	937.50	150.00	787.50	625.0%
69100 · NDF Lunch Program	6,335.96	5,000.00	1,335.96	126.7%
69200 · Title III-B Exp - paid by dons.	489.00	798.00	-309.00	61.3%
69210 · Title III-B Subcont - Tai Chi	1,450.00	1,872.00	-422.00	77.5%
69220 · Title III-B Subcont - Exercise	1,886.00	2,486.00	-600.00	75.9%
69230 · Title III-B Subcon - Music Ther	312.00	312.00	0.00	100.0%
69240 · Title III-B Subcont - Artist	1,125.00	426.00	699.00	264.1%
69250 · Title III-B Subcont - Nutrition	0.00	0.00	0.00	0.0%
69260 · Title III-B Subcon - Wellness	100.00	612.00	-512.00	16.3%
69270 · Title III-B Subcon - Dance	1,415.00	1,298.00	117.00	109.0%
69400 · Title III-D Expenses	0.00	1,044.00	-1,044.00	0.0%
69500 · Highlands Court Expenses	1,545.56	1,878.00	-332.44	82.3%
69550 · Highlands Court Misc Exp.	50.00	450.00	-400.00	11.1%
69910 · Trsf To Metro III-B Meals dons	665.16	948.00	-282.84	70.2%
69950 · Private Pay Meals	0.00	624.00	-624.00	0.0%
69970 · Out-of-Town Annual Trip	0.00	0.00	0.00	0.0%
69980 · Day Trips	1,211.50	650.00	561.50	186.4%
69990 · Vehicle Maintenance	50.00	600.00	-550.00	8.3%
70800 · Kitchen & Food Bank Supplies	53.91	0.00	53.91	100.0%
79000 · Miscellaneous Expenses	242.95	0.00	242.95	100.0%
79100 · Equipment Expense	0.00	498.00	-498.00	0.0%
79150 · Equipment Repair & Maint.	0.00	0.00	0.00	0.0%
80010 · Gheens Grant - Supplies	0.00	0.00	0.00	0.0%
99000 · Management Fee	4,964.52	4,967.00	-2.48	100.0%
Total Expense	100,529.65	99,274.00	1,255.65	101.3%
Net Income	-22,776.11	918.00	-23,694.11	-2,481.1%

SECRETARY OF STATE

RECEIVED SECRETARY OF STATE
MAY 1 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 273 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:

Name	Address
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

THIS INSTRUMENT PREPARED BY:

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

COPY
RECORDED
Shelley B. Bly
MAY 4 1970

SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY
BY William B. DeLong
ASSISTANT SECRETARY OF STATE

HCM Private Lunch Program 2018/2019

Income

NDF 10000

Expense

Lunches 6200 (1505 hot lunches x 4.12 per meal)

Kitchen Supervisor 3800 (152 days of service x 25)

Total 10000

Request for Taxpayer Identification Number and Certification

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

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <i>Highlands Community Ministries</i></p> <p>2 Business name/disregarded entity name, if different from above</p> <p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC</p> <p><input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p> <p>5 Address (number, street, and apt. or suite no.) See instructions. 100 Cherokee Rd <i>1008 E. Breckenridge St</i></p> <p>6 City, state, and ZIP code <i>Lexington Ky 40204</i></p> <p>7 List account number(s) here (optional)</p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p> <p>Requester's name and address (optional)</p>
--------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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 instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number																					
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or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. 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
2. 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
3. I am a U.S. citizen or other U.S. person (defined below); and
4. 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 for Part II, later.

Sign Here	<p>Signature of U.S. person ▶ <i>[Handwritten Signature]</i></p>	<p>Date ▶ <i>5/9/18</i></p>
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General Instructions

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

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

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, later.

Combined Financial Statements and Schedules

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2015

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T. Jane Beach

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, 2015, 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.

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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, 2015, 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, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 26, 2015. In our opinion, the summarized comparative information presented herein as of and for the twelve months ended September 30, 2014 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 February 6, 2017 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 supplementary schedules on pages 15 through 17 are 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 are 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
February 6, 2017



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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, 2015, 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 February 6, 2017.

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.

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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
February 6, 2017

COMBINED STATEMENT OF FINANCIAL POSITION

(with comparative totals as of September 30, 2014)

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2015

	September 30, 2015			Sept. 30, 2014	
	Operating Centers	Fringe Benefit Fund	Quasi-Endowment Fund	Total All Funds	Total All Funds
ASSETS					
Cash	\$ 93,535			\$ 93,535	\$ 132,172
Long-term investments					
Unappropriated	979,485	\$261,194	\$973,626	2,214,305	2,844,724
Accounts receivable	72,587			72,587	42,770
Note receivable	597,000			597,000	225,000
Vehicles	25,976			25,976	25,976
Office equipment	58,016			58,016	58,016
Program equipment	151,762			151,762	151,762
Leasehold improvements	162,620			162,620	258,854
Eastern Star Home renovation	-0-			-0-	244,897
Accumulated depreciation	(303,483)			(303,483)	(628,779)
Other assets	3,340			3,340	-0-
	<u>\$1,840,838</u>	<u>\$261,194</u>	<u>\$973,626</u>	<u>\$3,075,658</u>	<u>\$3,355,392</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Line of credit	\$ 74,000			\$ 74,000	\$ 75,000
Prepaid fees and pledges	99,165			99,165	107,839
Total liabilities	<u>173,165</u>			<u>173,165</u>	<u>182,839</u>
Fund balances:					
Designated for:					
Fringe benefit		\$261,194		261,194	267,948
Undesignated	1,667,673		\$973,626	2,641,299	2,904,605
Total fund balances	<u>1,667,673</u>	<u>261,194</u>	<u>973,626</u>	<u>2,902,493</u>	<u>3,172,553</u>
	<u>\$1,840,838</u>	<u>\$261,194</u>	<u>\$973,626</u>	<u>\$3,075,658</u>	<u>\$3,355,392</u>

See accompanying notes to financial statements

COMBINED STATEMENT OF ACTIVITIES

(with comparative totals for the twelve months ended September 30, 2014)

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2015

	For the 12 months ended September 30, 2015				For the 12 months ended Sept. 30, 2014
	Operating Centers	Fringe Benefit Fund	Quasi- Endowment Fund	Total All Funds	Total All Funds
SUPPORT AND REVENUE:					
Fees	\$2,436,458			\$2,436,458	\$2,246,875
Program income	154,408			154,408	143,931
Program grant and subsidies	246,416			246,416	177,674
Church pledges	76,888			76,888	89,754
Gifts:					
Unrestricted	79,411			79,411	102,108
Restricted	3,238			3,238	61,364
Earnings (loss) on invested funds	(17,758)	\$ 19,031	\$ 277,629	278,902	136,383
Miscellaneous	44,137			44,137	35,704
Total Support and Revenue	3,023,198	19,031	277,629	3,319,858	2,993,793
EXPENSES:					
Program services					
Salary and benefits	2,247,319	11,146		2,258,465	2,060,768
Small equipment purchases	20,415			20,415	12,042
Depreciation expense	15,835			15,835	15,926
Food costs	177,802			177,802	159,165
Homecare	2,640			2,640	2,135
Insurance	58,595			58,595	44,085
Miscellaneous	11,734			11,734	7,361
Premises	146,089			146,089	120,337
Postage	3,881			3,881	2,629
Program costs	334,472			334,472	273,339
Staff training	11,797			11,797	10,173
Travel	5,965			5,965	4,461
Welfare program	15,062			15,062	95,614
Total Program Services	3,051,606	11,146	-0-	3,062,752	2,808,035
Fund Raising					
Salary and benefits	4,014			4,014	3,667
Total Fund Raising	4,014			4,014	3,667
Management and General					
Administrative	56,214			56,214	49,090
Accounting	36,187			36,187	44,279
Interest	3,268			3,268	1,337
Salary and benefits	101,882			101,882	99,596
Printing	2,357			2,357	2,969
Telephone	16,925			16,925	14,332
Total Management and General	216,833			216,833	211,603
Total Expenses	3,272,453	11,146	-0-	3,283,599	3,023,305
Operating revenue over (under) expenses	(249,255)	7,885	277,629	36,259	(29,512)
OTHER REVENUE (EXPENSE)					
Unrealized gain (loss) on investments	(31,681)	(25,786)	(248,852)	(306,319)	205,510
Revenue over (under) expenses	\$ (280,936)	\$(17,901)	\$ 28,777	\$ (270,060)	\$ 175,998

See accompanying notes to financial statements

COMBINED STATEMENT OF CHANGES IN FUND BALANCES
(with comparative totals for the twelve months ended September 30, 2014)

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2015

	For the 12 months ended September 30, 2015				For the 12 months ended Sept. 30, 2014
	Operating Centers	Fringe Benefit Fund	Quasi- Endowment Fund	Total All Funds	Total All Funds
Fund balances – beginning of period	\$ 682,407	\$267,948	\$ 2,222,198	\$3,172,553	\$2,996,555
Interfund transfers	1,266,202	11,147	(1,277,349)	-0-	-0-
Revenue over (under) expenses	<u>(280,936)</u>	<u>(17,901)</u>	<u>28,777</u>	<u>(270,060)</u>	<u>175,998</u>
Fund balances – end of period	<u>\$1,667,673</u>	<u>\$261,194</u>	<u>\$ 973,626</u>	<u>\$2,902,493</u>	<u>\$3,172,553</u>

See accompanying notes to financial statements

COMBINED STATEMENT OF CASH FLOWS

(with comparative totals for the twelve months ended September 30, 2014)

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2015

	For the 12 months ended September 30, 2015			For the 12 months ended Sept. 30, 2014	
	Operating Centers	Fringe Benefit Fund	Quasi- Endowment Fund	Total All Funds	Total All Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Revenue over (under) expenses	\$(280,936)	\$(17,901)	\$ 28,777	\$(270,060)	\$ 175,998
Adjustments to reconcile revenue over (under) expenses to net cash provided by (used in) operating activities:					
Depreciation	15,835			15,835	15,926
(Increase) decrease in accounts receivable	(29,817)			(29,817)	693
Increase in other assets	(3,340)			(3,340)	-0-
Increase (decrease) in prepaid fees and pledges	(8,675)			(8,675)	4,633
Unrealized gain on investments	31,681	25,786	248,852	306,319	(205,510)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(275,252)	7,885	277,629	10,262	(8,260)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of equipment				-0-	(34,633)
(Purchases) sales of investments	609,615	(7,885)	(277,629)	324,101	238,267
Increase in note receivable	(372,000)			(372,000)	(225,000)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	237,615	(7,885)	(277,629)	(47,899)	(21,366)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments on line of credit	(1,000)			(1,000)	-0-
Proceeds from line of credit				-0-	75,000
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(1,000)			(1,000)	75,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(38,637)	-0-	-0-	(38,637)	45,374
Cash and cash equivalents at beginning of period	132,172	-0-	-0-	132,172	86,798
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 93,535	\$ -0-	\$ -0-	\$ 93,535	\$ 132,172
SUPPLEMENTAL DISCLOSURES					
Interest paid	\$ 3,268			\$ 3,268	\$ 1,337

See accompanying notes to financial statements

NOTES TO COMBINED FINANCIAL STATEMENTS

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2015

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 75% 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. Earnings on invested funds are stated net of related expenses.

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, 2015

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, 2014, from which the summarized information was derived.

Compensated Absences: The amount for compensated absences has not been accrued because these costs cannot be reasonably estimated.

Reclassification: Certain amounts in the September 30, 2014 financial statements have been reclassified to conform to the September 30, 2015 presentation.

NOTE B--INVESTMENTS

The market value of the investments as of September 30, 2015 and September 30, 2014 are as follows:

	9/30/2015		9/30/2014
	Cost	Fair Market Value	Fair Market Value
Money market funds	\$ 16,934	\$ 16,934	\$ 39,280
Fixed income	377,945	418,020	447,038
Common and preferred stocks	574,649	837,623	1,060,940
Mutual funds	957,595	941,728	1,297,466
	<u>\$1,927,123</u>	<u>\$2,214,305</u>	<u>\$2,844,724</u>

Fees netted to earnings on invested funds were \$7,114 and \$7,280 at September 30, 2015 and 2014, respectively.

NOTES TO COMBINED FINANCIAL STATEMENTS

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 30, 2015

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.

NOTE D—COMMITMENTS – NEW SCHEDULE

The Organization leases space at four properties under operating leases. The first lease is for the daycare center located at Eastern Star Home. The lease commenced on June 1, 2012, and has an initial term of thirteen years, ending June 1, 2015. The lease requires the Organization to maintain the interior and exterior of the property at the Organization's expense.

The second lease is for space at the Douglass Boulevard Christian Church building. The lease commenced July 1, 2012, with a term of one year and an annual renewal option.

The third lease is for space at the St. Paul United Methodist Church building. The lease commenced July 1, 2012, with a term of one year and an automatic annual renewal.

The fourth lease is for space at the Highlands Community Campus building. The lease commenced July 1, 2014, with a term of one year and an automatic annual renewal.

Rent expense under operating leases was \$60,640 and \$27,050 for the twelve months ended September 30, 2015 and 2014, respectively. The annual minimum lease payments under non-cancelable lease obligations as of September 30, 2015 are:

2015	\$16,500
2016	<u>33,000</u>
TOTAL	<u>\$49,500</u>

NOTES TO COMBINED FINANCIAL STATEMENTS

HIGHLANDS COMMUNITY MINISTRIES, INC.

September 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, 2015 and the twelve months ended September 30, 2014, pension expense was \$11,146 and \$9,546, 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.

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, 2015</u>		
Long-term investments	\$2,214,305	\$2,214,305
<u>September 30, 2014</u>		
Long-term investments	\$2,844,724	\$2,844,724

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, 2015

NOTE G--PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	<u>9/30/2015</u>	<u>9/30/2014</u>
Vehicles	\$ 25,976	\$ 25,976
Office equipment	58,016	58,016
Program equipment	151,762	151,762
Leasehold improvements	162,620	258,854
Eastern Star Home renovation	-0-	244,897
	<u>398,374</u>	<u>739,505</u>
Less accumulated depreciation	<u>(303,483)</u>	<u>(628,779)</u>
	<u>\$ 94,891</u>	<u>\$110,726</u>

Depreciation expense was \$15,835 and \$15,926 for the twelve months ended September 30, 2015 and twelve months ended September 30, 2014, respectively.

NOTE H--NOTE RECEIVABLE - REDRAFT

On April 15, 2014, the Organization signed a promissory note with Highlands Community Campus (HCC), a related party, for advances to fund building improvements and operating expenses. The note bears interest at a fixed rate of 4.00% and was initially scheduled to mature on March 18, 2014. On January 13, 2017, the note was restructured by extending the maturity date to September 30, 2025. The restructured note also included a standstill agreement of principal and interest for a period of five years. Upon expiration of the standstill period, the earned interest of the note will be added to the principal sum of the note. HCC's regular payment will equal the amount of the accrued finance charges on the new balance. These regular payments will be made quarterly beginning on January 1, 2020, following the standstill period. The note is payable in full upon maturity.

NOTE I--NOTE PAYABLE

The Organization has a line of credit with a commercial bank in the amount of \$75,000, of which \$1,000 and \$-0- was unused at September 30, 2015 and 2014, respectively. The line of credit is due on demand and has an interest rate of 0.2%. The line of credit is secured by a certificate of deposit in the amount of \$75,000.

Supplementary Schedules

COMBINING STATEMENT OF ACTIVITIES – OPERATING CENTERS
(with comparative totals for the twelve months ended September 30, 2014)--CONTINUED

HIGHLANDS COMMUNITY MINISTRIES, INC.

For the twelve months ended September 30, 2015

SCHEDULE 2	For the 12 months ended September 30, 2015							For the 12 months ended Sept. 30, 2014	
	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	\$ 4,014							\$ 4,014	\$ 3,667
Salary and benefits	4,014							4,014	3,667
Total Fund Raising									
Management and General									
Administrative	(71,218)	\$ 32,152	\$ 32,918	\$ 18,961	\$ 16,182	\$ 13,214	\$ 14,005	56,214	49,090
Accounting	36,187							36,187	44,279
Interest expense	3,268							3,268	1,337
Salary and benefits	8,026	47,760	46,096					101,882	99,596
Printing					2,357			2,357	2,969
Telephone	5,408	3,764	2,092	2,057	2,634	970		16,925	14,332
Total Management and General	(18,329)	83,676	81,106	21,018	21,173	14,184	14,005	216,833	211,603
Total expenses	192,636	1,284,207	1,015,077	221,153	293,184	182,401	83,795	3,272,453	3,013,759
Operating revenue over (under) expenses	(118,066)	41,183	(77,774)	23,660	(64,488)	(19,941)	(33,829)	(249,255)	(142,140)
OTHER REVENUE									
Unrealized gain on investments	(77)	(13,081)	(6,473)	(2,920)	(3,884)	(3,448)	(1,798)	(31,681)	21,208
Revenue over (under) expenses	\$(118,143)	\$ 28,102	\$ (84,247)	\$ 20,740	\$ (68,372)	\$ (23,389)	\$ (35,627)	\$ (280,936)	\$ (120,932)

See accompanying notes to financial statements