THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2016 AND 2015

GREENWALT CPAs

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THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The John H. Boner Community Center, Inc.,
d/b/a John Boner Neighborhood Centers and Subsidiaries:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of New Life Manor Apartments (NLM), Brookside Apartments, LP (BA), Jefferson Apartments, LP (JA), and Near East Side Legacy Center, LLC d/b/a Boner Fitness & Learning Center at the Chase Legacy Building (NELC), which statements of financial position reflect total assets constituting 41% and 52%, respectively, of consolidated total assets at December 31, 2016 and 2015, and total revenues constituting 6% and 2%, respectively, of consolidated revenues for the years then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for NLM, BA, JA and NELC, is based solely on the reports of the other auditors. We conducted our audits in accordance with 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles*, *and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

The supplementary information shown in Exhibits I through III, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2017, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the Organization's internal control over financial reporting and compliance.

Greenwalt CPAs, Inc.

June 13, 2017

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
CURRENT ASSETS		
Cash	$ 1,514,808	$ 698,543
Cash - restricted	947,103	977,768
Grant reimbursements receivable	870,260	955,511
United Way receivables	193,992	188,112
Related party receivables	5,420	14,899
Note receivable	530,000	533,000
Other receivables, net	112,048	38,345
Prepaid expenses	61,773	61,338
Short term investments	303,712	102,887
Total current assets	4,539,116	3,570,403
LONG TERM INVESTMENTS	10,711,284	809,491
NOTES RECEIVABLE	10,472,338	10,320,338
PROPERTY AND EQUIPMENT, NET	25,175,208	25,473,781
Total assets	$ 50,897,946	$ 40,174,013

LIABILITIES AND NET ASSETS

	2016	2015
CURRENT LIABILITIES		
Accounts payable	$ 428,130	$ 148,744
Accrued payroll	104,182	75,998
Related party payables	1,500	1,500
Other payables and accrued expenses	355,543	354,412
Deferred revenue	33,298	61,064
Line of credit	-	235,000
Current maturities of notes and mortgages payable	80,994	57,979
Total current liabilities	1,003,647	934,697
LONG-TERM LIABILITIES		
Notes and mortgages payable, net of current portion and financing fees	18,879,448	18,282,687
Total liabilities	19,883,095	19,217,384
COMMITMENTS AND CONTINGENCIES (NOTES 10 and 11)		
NET ASSETS		
Unrestricted - undesignated	17,784,909	16,280,185
Minority interest in net assets of consolidated subsidiary	1,653,610	2,161,819
Total unrestricted net assets	19,438,519	18,442,004
Temporarily restricted	4,176,332	2,514,625
Permanently restricted	7,400,000	-
Total net assets	31,014,851	20,956,629
Total liabilities and net assets	$ 50,897,946	$ 40,174,013

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016				2015		
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND OTHER SUPPORT							
Direct Public Support							
Contributions	$ 11,632	$ 4,712	$ -	$ 16,344	$ 28,785	$ 3,100	$ 31,885
Special events, net of expense of $26,414 in 2016 and $14,913 in 2015	35,309	-	-	35,309	80,106	-	80,106
Total direct public support	46,941	4,712	-	51,653	108,891	3,100	111,991
Indirect Public Support			-				
United Way			-				
Support funds	1,200,215	-	-	1,200,215	409,956	-	409,956
Donor option	11,080	-	-	11,080	8,474	-	8,474
Grants and awards	688,366	2,292,085	7,400,000	10,380,451	173,064	978,206	1,151,270
Total indirect public support	1,899,661	2,292,085	7,400,000	11,591,746	591,494	978,206	1,569,700
Fees and Grants from Government and Other Agencies	5,764,200	-	-	5,764,200	6,886,949	-	6,886,949
			-				
Other Revenue			-				
Program service fees	289,314	-	-	289,314	268,715	-	268,715
Rent income and other charges	1,159,922	404,889	-	1,564,811	1,568,163	166,594	1,734,757
Investment income	143,494	-	-	143,494	143,912	-	143,912
Other revenue	250,631	-	-	250,631	188,695	-	188,695
In-kind	1,587,453	-	-	1,587,453	106,828	-	106,828
Total other revenue	3,430,814	404,889	-	3,835,703	2,276,313	166,594	2,442,907
Net Assets Released from Restriction	1,039,979	(1,039,979)	-	-	458,054	(458,054)	-
Total revenue and other support	12,181,595	1,661,707	7,400,000	21,243,302	10,321,701	689,846	11,011,547
EXPENSES							
Salaries and wages	2,549,379	-	-	2,549,379	2,319,693	-	2,319,693
Employee benefits	350,308	-	-	350,308	294,599	-	294,599
Payroll taxes	258,591	-	-	258,591	246,705	-	246,705
Specific assistance	3,744,419	-	-	3,744,419	4,407,857	-	4,407,857
Leasing costs	15,433	-	-	15,433	18,283	-	18,283
Professional fees	186,395	-	-	186,395	94,083	-	94,083
Professional fees - other service providers	53,218	-	-	53,218	209,011	-	209,011
Management fee	83,558	-	-	83,558	83,556	-	83,556
Supplies	195,420	-	-	195,420	230,354	-	230,354
Telephone	28,548	-	-	28,548	33,059	-	33,059
Postage and shipping	5,060	-	-	5,060	5,319	-	5,319
Occupancy - rental, utilities, insurance	655,776	-	-	655,776	688,100	-	688,100
Occupancy - repairs, maintenance	317,535	-	-	317,535	134,236	-	134,236
Other repairs and maintenance	141,646	-	-	141,646	128,928	-	128,928
Conferences and meetings	61,990	-	-	61,990	62,484	-	62,484
Printing and publications	7,909	-	-	7,909	23,972	-	23,972
Travel and transportation	16,491	-	-	16,491	18,530	-	18,530
Contributions, dues and awards	29,714	-	-	29,714	12,715	-	12,715
Activity fees and charges	24,821	-	-	24,821	47,097	-	47,097
Interest expense	431,679	-	-	431,679	402,666	-	402,666
Other expenses	217,094	-	-	217,094	162,184	-	162,184
In-kind	214,581	-	-	214,581	97,868	-	97,868
Bad debt expense	22,687	-	-	22,687	29,298	-	29,298
Loss on sale of property and equipment	55,393	-	-	55,393	2,807	-	2,807
Depreciation and amortization	1,517,435	-	-	1,517,435	1,527,474	-	1,527,474
Total expenses	11,185,080	-	-	11,185,080	11,280,878	-	11,280,878
CHANGE IN NET ASSETS	996,515	1,661,707	7,400,000	10,058,222	(959,177)	689,846	(269,331)
NET ASSETS, BEGINNING OF YEAR	18,442,004	2,514,625	-	20,956,629	19,401,181	1,824,779	21,225,960
NET ASSETS, END OF YEAR	$ 19,438,519	$ 4,176,332	$ 7,400,000	$ 31,014,851	$ 18,442,004	$ 2,514,625	$ 20,956,629

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Controlling Interest					
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Minority Interest	Total
NET ASSETS, JANUARY 1, 2015	$ 16,770,566	$ 1,824,779	$ -	$ 18,595,345	$ 2,630,615	$ 21,225,960
CHANGE IN NET ASSETS	(490,381)	689,846	-	199,465	(468,796)	(269,331)
NET ASSETS, DECEMBER 31, 2015	16,280,185	2,514,625	-	18,794,810	2,161,819	20,956,629
CHANGE IN NET ASSETS	1,504,724	1,661,707	7,400,000	10,566,431	(508,209)	10,058,222
NET ASSETS, DECEMBER 31, 2016	$ 17,784,909	$ 4,176,332	$ 7,400,000	$ 29,361,241	$ 1,653,610	$ 31,014,851

CHANGE IN UNRESTRICTED CASH

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from organizations and others	$ 13,978,685	$ 11,834,953
Cash paid to suppliers, employees, and others	(10,695,005)	(11,140,366)
Interest paid	(335,266)	(76,343)
Investment income received	128,938	143,912
Net cash provided by operating activities	3,077,352	762,156
CASH FLOWS FROM INVESTING ACTIVITIES		
Net deposits (to) from reserves	30,665	183,102
Proceeds from sale of investments	1,200,000	(912,378)
Purchases of investments	(9,988,062)	-
Acquisition of property and equipment	(1,132,546)	(1,001,611)
Net cash used in investing activities	(9,889,943)	(1,730,887)
CASH FLOWS FROM FINANCING ACTIVITES		
Net proceeds (repayments) on line of credit	(235,000)	(317,000)
Net borrowings (principal payments) on notes and mortgages payable	692,331	480,207
Net activity on note receivable	(149,000)	(33,000)
Contribution for endowment purposes	7,400,000	-
Payment of financing fees	(79,475)	(5,800)
Net cash provided by financing activities	7,628,856	124,407
NET CHANGE IN UNRESTRICTED CASH	816,265	(844,324)
UNRESTRICTED CASH, BEGINNING OF YEAR	698,543	1,542,867
UNRESTRICTED CASH, END OF YEAR	$ 1,514,808	$ 698,543

SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

	2016	2015
Donated property and equipment	$ 48,297	$ 2,500
Donated investment	$ 1,300,000	$ -
Purchase of property and equipment in accounts payable	$ 178,842	$ 84,106
Purchase of property and equipment with loan	$ -	$ 46,636

RECONCILIATION OF CHANGE IN NET ASSETS TO NET UNRESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES

	2016	2015
CHANGE IN NET ASSETS	$ 10,058,222	$ (269,331)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET UNRESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES		
Loss on disposal of property and equipment	57,367	2,807
Depreciation and amortization	1,517,435	1,527,474
Restricted contribution to endowment	(7,400,000)	-
Donated goods, property, equipment, and investment	(1,348,297)	(2,500)
Unrealized gains on investments	(14,556)	-
(Increase) decrease in operating assets:		
Grant reimbursements receivable	85,251	(382,844)
United Way receivables	(5,880)	9,924
Related party receivables	9,479	29,089
Pledges receivable	-	1,208
Other receivables, net	(73,703)	43,385
Prepaid expenses	(435)	(2,956)
Increase (decrease) in operating liabilities:		
Accounts payable	190,920	(125,454)
Accrued payroll	28,184	(99,834)
Other payables and accrued expenses	1,131	418
Deferred revenue	(27,766)	30,770
Total adjustments	(6,980,870)	1,031,487
NET UNRESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,077,352	$ 762,156

1. Summary of Significant Accounting Policies

Description of Organization

The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers (the Center) serves the near Eastside of Indianapolis, Indiana. The Center serves a wide variety of neighborhood residents including school-age children, at-risk youth, adults, those in need of housing, seniors, and those who are vulnerable and with special needs.

Near Eastside Holding Corporation (Near Eastside Holding) was formed as a for-profit subsidiary of the Center in 2006 to become a general partner in Brookside Apartments, LP and Jefferson Apartments, LP as noted below. Near Eastside Holding was created to participate in the low income housing tax credit program as required by the Internal Revenue Code. Near Eastside Holding is a wholly-owned subsidiary of the Center.

New Life Manor Apartments (NLM) was added as a division of the Center in April 1980 to operate housing units. The Project refinanced its mortgage loan on May 2008 and October 2016 under Section 207 pursuant to Section 223(f) of the National Housing Act for the Elderly and Handicapped, the Project's major program. The 48 unit project offers affordable housing for the needy elderly and/or handicapped.

Boner Properties, LLC (BP) was formed to acquire housing units in order to provide affordable housing for low-income families and individuals who are homeless or at-risk of homelessness. The Center is the sole member of this LLC.

JHBCC Properties, LLC (JHBCC) was formed to acquire property adjacent to the Center that will provide for the Center's expansion in future years. The Center is the sole member of the LLC.

Parish Place, Inc. d/b/a Byrne Court Apartments (Byrne) was formed to acquire, own and operate a 50 unit apartment community. Byrne offers affordable housing under the provisions of Section 202 Direct Loan Program of the National Housing Act for the Elderly and Handicapped. The Center became the sole member of the corporation in September of 2004. As the Corporation's sole member, the Center appoints the board of directors.

Brookside Commercial, LLC (Brookside Commercial) was formed in January of 2005 to take ownership of the Center's expansion through a new market tax credit arrangement. In 2013, the Center obtained 100% ownership of Brookside Commercial.

Brookside Apartments, LP (BA) was formed in 2006 to purchase the Brookside Apartment's building. Near Eastside Holding is the 1% general partner in the partnership. BA provides 24 apartments, 20 which serve the homeless, and houses the Center's Senior and Elder Alternative Programs.

Jefferson Apartments, LP (JA) was formed in August of 2008. The Center was the 99.99% limited partner in the partnership with Near Eastside Holding as the .01% general partner in the partnership as of December 31, 2008. During 2009, the Center transferred its limited partner interest in Jefferson Apartments to an outside investor. Near Eastside Holding remains a general partner. JA provides 20 affordable apartment units that serve as an incubator for individuals and families aspiring to become homeowners.

1. Summary of Significant Accounting Policies, Continued

Description of Organization, Continued

Near East Side Legacy Center, LLC d/b/a Boner Fitness & Learning Center at the Chase Legacy Building (NELC) was formed in October 2010 to take ownership of the Center's expansion through a new market tax credit arrangement. The Center owns 99.99% of NELC, with Near Eastside Holding owning the remaining .01%. NELC, which is located on the campus of Arsenal Technical High School, provides fitness programs, youth development and education and other activities related to recreation, health, nutrition, and wellness.

Basis of Accounting and Use of Estimates

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

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Center, Near Eastside Holding, NLM, BP, JHBCC, Byrne, Brookside Commercial, BA, JA, and NELC, (collectively referred to as the Organization) which are considered related organizations. All material intercompany accounts and transactions between the consolidated organizations have been eliminated.

Cash and Cash Equivalents

The Organization considers all liquid investments, except restricted cash, with original maturities of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2016 and 2015. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation(FDIC) up to $250,000. At December 31, 2016, the Center held cash in excess of FDIC units.

Other Receivables

Other receivables include uncollateralized tenant obligations due under normal terms requiring rental payment on the 1st day of each month. Unpaid amounts remain in receivables while a tenant remains a building resident. Other receivables are stated at the billed amount for monthly tenant payments due and must be kept current as a condition of residency. NLM, BP, Byrne, BA, and JA receive subsidy amounts from the U.S. Department of Housing and Urban Development (HUD) that represent the difference between the HUD determined contract rent and the amount calculated for tenant payments.

HUD subsidies are normally received on the 1st day of the month for the current month. Unpaid HUD subsidies represent amounts claimed by the project on a monthly voucher, but unpaid by HUD.

Payments are allocated against specific rental amounts due as identified by tenants or, if unspecified, are applied to the earliest unpaid invoices.

1. Summary of Significant Accounting Policies, Continued

Other Receivables, Continued

Receivables are stated at the amount management expects to collect from outstanding balances. Management had estimated an allowance for doubtful accounts related to other receivables of $27,587 and $21,913 as of December 31, 2016 and 2015, respectively.

Investments

Consistent with Accounting Standards for Investments Held by Not-for-Profits, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. All investments with an original maturity date of one year or less but greater than three months, have been considered short term investments. Investments consisted of the following at December 31:

	2016	2015
Short term investments:		
Certificates of deposit	$ 303,712	$ 102,887
Long-term investments:		
Certificates of deposit	611,187	809,491
Cash held for future investment	8,800,097	-
HealthNet Peoples Health Center, LLC	1,300,000	-
	$ 11,014,996	$ 912,378

The Organization's certificates of deposit and cash held for future investment are recorded at cost at December 31, 2016 and 2015.

Effective June 30, 2016, the Organization received a contribution of a 23% interest in HealthNet Peoples Health Center, LLC, an Indiana limited liability company. The value of the Center's investment, based on the initial capital contribution of the assigned interest, is $1,300,000. This investment will be recorded based on the equity method.

Property and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost and expenditures for normal maintenance and repairs are expensed as incurred.

The Organization provides for depreciation on the straight-line method at rates designed to depreciate the cost of assets over the estimated useful lives of the depreciable assets of 3 to 40 years.

1. Summary of Significant Accounting Policies, Continued

Net Assets

As required by Accounting Standards for the Preparation of Financial Statements of Not-for-Profit Entities, the Organization is required to report information regarding the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted, and permanently restricted.

Unrestricted

These include general assets and liabilities of the Organization which may be used at the discretion of management and Board of Directors to support the Organization's purposes and operations.

Temporarily Restricted

These include assets of the Organization related to gifts and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. Donor restricted promises to give that are due in future periods and are not permanently restricted are classified as temporarily restricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Net assets were restricted for the following purposes at December 31:

	2016	2015
Super Bowl Legacy Project	$ 23,188	$ 54,384
NELC maintenance fund	713,428	713,428
Replacement reserve	387,886	332,176
Sustainability and infrastructure	1,997,361	-
Other programs	1,054,469	1,414,637
	$ 4,176,332	$ 2,514,625

Permanently Restricted

These are resources whose use by the Organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. Permanently restricted net assets were $7,400,000 at December 31, 2016. See Note 8.

1. Summary of Significant Accounting Policies, Continued

Contributions and Pledges

Contributions are recognized when the donor makes an unconditional promise to give to the Organization and are recorded at their fair values as revenues and assets in the period the promise was received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expense Allocation

Salaries and related expenses are charged to program services, management and general, and fundraising based upon estimated time spent by personnel on the related areas. Direct expenses are charged to the various expense categories. Occupancy expenses are allocated based upon actual utilization of space.

The Organization had the following expense allocation for the years ended December 31:

	2016	2015
Program services	$ 10,339,092	$ 10,430,343
Management and general	694,369	669,986
Fundraising	178,033	195,462
Less fundraising expense netted with revenue page 6	(26,414)	(14,913)
	$ 11,185,080	$ 11,280,878

1. Summary of Significant Accounting Policies, Continued

Government Grants

Support funded by grants is recognized as the Organization performs the contracted services under grant agreements. Grant revenue is recognized as earned as the expenses are incurred. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

In-Kind Contributions

The Organization received in-kind contributions of $1,587,452 and $106,828 in 2016 and 2015, respectively. The majority of 2016 donations related to a gift of a 23% interest in HealthNet Peoples Health Center, LLC (see investments page 12), quarterly volunteer instructors for the YET Center, after school program donations, and technology for the Career Opportunities Center. The majority of 2015 donations related to food and beverage for events, silent auction items, and volunteer fitness instructors. These properties were recorded at the fair market value, determined by real estate appraisal, at the date the properties were donated to BP.

Subsequent Events

Subsequent events have been considered through June 13, 2017, which was the date the financial statements were available to be issued.

2. Tax Status

The Center and Byrne are not-for-profit corporations, exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision is made for federal or state income taxes or income tax effects. The Center and Byrne are not considered private foundations as defined in Section 509(a) of the Internal Revenue Code.

BP, Brookside Commercial, and JHBCC are single-member LLCs of the Center and as such are treated as disregarded entities for income tax purposes.

BA and JA are partnerships. In lieu of corporation income taxes, the partners report their proportionate share of the partnerships' income

NELC is an LLC. In lieu of corporation incomes taxes, the LLC members report their proportionate share of the LLC's income.

3. Cash - Restricted

NLM, BP, Byrne, BA, and JA maintain cash balances that are to be used for future capital projects and improvements. NLM, Byrne, BA, and JA are required to set aside amounts for the replacement of property and other expenditures. For NLM and Byrne, HUD restricted deposits are held in separate accounts and generally are not available for operating purposes. Accordingly, these amounts have been recorded as restricted on the statement of financial position. Cash restricted for replacement reserve was $778,917 and $706,241 at December 31, 2016 and 2015, respectively.

3. Cash - Restricted , Continued

The Center maintains a cash balance that is to be used for the Super Bowl Legacy project. The restricted deposits are held in a separate account and are not available for general operating purposes. This amount has been recorded as restricted cash on the statement of financial position. Cash restricted for the Super Bowl Legacy project was $23,188 and $3,717 at December 31, 2016 and 2015, respectively.

NELC has cash reserved for future construction and certain other fees and expenses of $141,973 and $242,835 at December 31, 2016 and 2015, respectively.

The Center has cash restricted for the Assets for Independence program of $3,025 and $24,975 at December 31, 2016 and 2015, respectively.

4. Notes Receivable

During February of 2011, the Center entered into a $10,320,338 loan agreement with Chase NMTC Indianapolis YET Investment Fund, LLC (YET Investment Fund). The YET Investment Fund borrowed the funds for the purpose of acquiring a 99.9% interest in New Markets Investment 59, LLC (New Markets Investment) and to make certain capital contributions within New Markets Investment. New Markets Investments also loaned funds to the Near Eastside Legacy Center, see Note 7. In the event of default, the YET Investment Fund would assign all rights, titles, and interests owned by the YET Investment Fund to the Center. Interest on the outstanding balance is incurred at fixed rate of 1% per annum. The repayment of the note will commence during December 2017, with quarterly payments consisting of principal and interest. The note matures on February 8, 2043.

In October 2014, the Center entered into a loan agreement with Near East Area Renewal, Inc. (NEAR) for the revitalization of the Near Eastside of Indianapolis. The loan funds will be advanced on an as needed basis to NEAR up to $1,750,000 at an annual interest rate of 3.75%, compounded monthly with accrued interest payable in quarterly installments. The balance was $530,000 and $533,000 as of December 31, 2016 and 2015, respectively.

During 2016, the Center entered three loan agreements for $80,000, $28,000 and $45,200, respectively, with Englewood Community Development Corporation for the purchase of three houses in furtherance of community development initiatives. These loans accrue interest at an annual interest rate of 3.75%, compounded monthly. Interest payments are due in quarterly installments for the $80,000 and $45,200 loans, respectively, and due in monthly installments for the $28,000 loan. The final principal balance is due upon the maturity date of each note receivable. The loan agreements mature in September 2018, April 2019, and June 2018, respectively. The combined loan balance was $152,000 as of December 31, 2016.

5. PROPERTY AND EQUIPMENT

The Organization's property and equipment consists of the following at December 31:

	2016	2015
Buildings	$ 28,919,939	$ 28,744,219
Leasehold improvements	394,586	361,260
Furnishings and office equipment	4,367,048	3,419,055
Autos and trucks	170,131	151,660
	33,851,704	32,676,194
Accumulated depreciation	(11,621,185)	(10,122,402)
	22,230,519	22,553,792
Land and land improvements	2,543,484	2,518,784
Real estate held for sale	401,205	401,205
	$ 25,175,208	$ 25,473,781

6. LINE OF CREDIT

The Center had a revolving line of credit with a bank for $800,000, which expires in October 2017. Interest payable on the line of credit is calculated monthly at LIBOR rate plus 2.85% (3.57% and 3.21% December 31, 2016 and 2015, respectively). There was no balance outstanding on the line of credit at December 31, 2016. The amount outstanding on the line was $235,000 at December 31, 2015. Borrowings under this agreement are collateralized by the Center's assets.

The line of credit has covenant requirements that had been met or were waived.

7. NOTES AND MORTGAGE PAYABLE

Notes and mortgages payable consist of the following at December 31:

	2016	2015
a. The Center has a promissory note with State Farm Mutual Insurance Company to support housing redevelopment in the neighborhood. The Center may borrow up to a maximum of $4,000,000. The unpaid principal of the note bears an interest rate of 3.50%. The note matures June 30, 2020.	$ 1,871,800	$ 1,443,400
b. The mortgage is payable in monthly installments of $7,873 including principal and interest of 6.25% through May 2043. In October 2016, NLM refinanced its mortgage. The mortgage, due November 2051, requires monthly payments of $5,808, which include principal and interest at 2.9%. The mortgage includes a prepayment premium through November 2026. The mortgage also requires monthly deposits to a reserve and replacement fund.	1,529,293	1,239,338
c. Brookside Apartments obtained a mortgage from IFF in the amount of $315,000. The mortgage is payable in monthly installments of $1,946 including principal and interest of 5.375% through September 2024. The loan is secured by a mortgage on certain real estate.	268,312	276,993
d. Byrne has a mortgage loan under the provisions of Section 202 of the National Housing Act. Effective April 30, 2008, Byrne refinanced its mortgage loan with another financial institution. The mortgage is payable in monthly installments of $10,318 including principal and interest of 6.24%, through April 2043. The mortgage also requires monthly deposits of $1,250 to a reserve and replacement fund.	1,597,023	1,623,992

7. Notes and Mortgage Payable, Continued

	2016	2015
e. NELC executed a loan agreement with New Markets Investment 59, LLC in the amount of $13,858,875. The note bears interest at the rate of .9215% per annum. The note calls for quarterly investment on an interest-only basis commencing on March 1, 2011 through March 1, 2018. As of March 1, 2018, equal quarterly principal and interest payments of $125,062 commence with all unpaid principal being due and payable at the maturity date of February 8, 2043. The note is collateralized by a mortgage on the property as well as the assignment of leases. In addition, the Center has executed a guaranty agreement with the lender for payment in full of guaranteed obligations.	13,858,875	13,858,875
f. In 2015, the Center entered into a promissory note with BMO Harris Bank N.A. in the amount of $46,000. The promissory note was payable in monthly installments of $838 including principal and interest of 3.5% through August 4, 2020. The loan was secured by copier equipment of the Center. The loan was paid in full during 2016.	-	43,055
	19,125,303	18,485,653
Less: current maturities	(80,994)	(57,979)
Less: unamortized financing fees	(164,861)	(144,987)
	$ 18,879,448	$ 18,282,687

Aggregate maturities of notes payable are as follows for the years ending December 31:

2017	$ 80,994
2018	457,549
2019	463,830
2020	2,340,258
2021	469,495
Thereafter	15,313,177
	$ 19,125,303

7. Notes and Mortgage Payable, Continued

Pursuant to Accounting Standards update 2015-03, financing fees are now presented within the notes and mortgage payable balance. This was applied retrospectively in the presentation of the notes and mortgage payable balance at December 31, 2016 and 2015. Financing fees expended in accordance with promissory notes are recorded at cost and amortized over the lives of the promissory notes.

8. Endowment

The Organization's endowment consists of permanently restricted funds established to support a variety of charitable purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Application of UPMIFA

Management has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulations are added to the fund. At the present time, the Organization has one donor restricted permanent endowments.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for assets held for endowment that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment would seek to achieve a total return (income and appreciation) of 7.25% over a full market cycle (8-10 years). The Organization will evaluate its investments by comparing actual investment performance to various applicable benchmarks. The Organization expects its endowment investments to meet or exceed these benchmarks over time. Actual returns in any given year may vary from these benchmarks.

8. Endowment, Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

The spending policy was in the process of development at December 31, 2016; however, the Organization will not allow the endowment fund to drop below the Historic Dollar Value of the grant. Any endowment fund deficiencies will be made whole before any further spending can occur in accordance with the final Organization's spending policy.

This is consistent with the Organization's objective to maintain the fair value of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The balance of the endowment fund is $7,400,000 at December 31, 2016 and is recorded as a permanently restricted net assets. The endowment fund was invested in cash at December 31, 2016.

9. Related Party Transactions

A member of the Center's management served on the Board of Directors of East 10th Street Civic Association (Civic Association) for part of 2015. At December 31, 2016 and 2015, the Center had accounts receivable due from the East 10th Street Civic Association of $0 and $13,268, respectively, for rent and salaries.

At December 31, 2016 and 2015, the Center had accounts receivable due from NEAR of $5,420 and $1,631, respectively. NEAR is a partner agency on various Near Eastside of Indianapolis building projects. See also Note 4 for notes receivable information.

BMO Harris Bank is entitled to receive an asset management fee from JA, per the partnership agreement, in the amount of $2,500 for the year 2010 and $5,000 per year, commencing January 1, 2011. In 2014 the partnership agreement was amended where BMO Harris Bank, commencing in 2015, will receive an asset management fee of $2,500 per year. The cumulative fee is payable out of available cash flow, as defined. Fees of $2,500 were earned and paid in 2016 and 2015. A Center board member is an employee of BMO Harris Bank.

Great Lakes Capital Fund for Housing Nonprofit Housing Corporation, a limited partner of BA, is entitled to receive an annual investor services fee from BA in the amount of $1,500 per year, commencing for the tax year ending December 31, 2008. The noncumulative fee is payable out of available cash flow, as defined. A fee of $1,500 was earned and accrued in 2016 and 2015, respectively, and is included in accounts payable – related parties.

A Center Board member serves as CEO of a company with whom the Center issued a note of $700,000 during March 2015 for a senior residential project. This loan was repaid by December 31, 2015.

10. Contingencies

Near Eastside Holding has executed a guaranty agreement for BA and JA under which they guarantee to advance funds to the extent needed to make operating deficit contributions. In addition, they guarantee to advance funds to the extent needed to make all payments to the operating and replacement reserves, to return limited partner contributions due to tax credit shortfalls, to purchase the limited partner's interest in the Partnerships, and to make a capital contribution sufficient to satisfy any remaining unpaid portion of the

10. CONTINGENCIES, CONTINUED

development fee in the event the entire development fee has not been paid within 15 years of completion of the project. No funds were advanced in 2016 or 2015.

The Center guarantees punctual payment in full of all guaranteed obligations of NELC as defined, when the same becomes due whether at stated maturity, by acceleration, demand or otherwise. The balance on the guaranteed loan was $10, 320,338 at December 31, 2016 and 2015.

11. OPERATING LEASES

The Center leased office equipment under various operating leases that expired in 2016. Lease expense for these items was $610 and $25,001 in 2016 and 2015, respectively.

The Organization leases space to several organizations under operating leases that have various expiration dates through 2019. Lease income for the years ended December 31, 2016 and 2015 was $61,697 and $68,243, respectively.

The future minimum rental income to be received under the above operating leases are as follows for the years ending December 31:

2017	$	16,166
2018		10,633
2019		3,667
	$	30,466

12. FEDERAL, STATE, AND LOCAL GRANT AWARDS

In accordance with guidelines established by the Indiana State Board of Accounts, this federal, state, and local grant information was included to aid in the verification of Indiana financial assistance on the Entity Annual Report (E-1).

Program Name	Grantor Name	CFDA	Revenue	Expense	Funding Type
Youth Employment Services	Indianapolis Private Industry council d/b/a EmployIndy	N/A	$8,209	$8,209	State or local government
Drug Free Marion County	City of Indianapolis	N/A	$19,000	$19,000	State or local government
School Age Child Care Grant	Indiana Family and Social Services Administration	N/A	$10,386	$10,386	State or local government
Housing Trust Fund Project	Marion County Housing Trust Fund	N/A	$15,371	$9,583	State or local government

12. FEDERAL, STATE, AND LOCAL GRANT AWARDS, CONTINUED

Community Development Block Grant - Employment Service	City of Indianapolis	14.218	$38,500	$38,500	Federal grant passed through state or local government
Community Development Block Grant - Facility Rehabilitation	City of Indianapolis	14.218	$212,658	$194,658	Federal grant passed through state or local government
Community Development Block Grant – Public Service	City of Indianapolis	14.218	$9,363	$9,363	Federal grant passed through state or local government
Community Development Block Grant – Employment Service	Indianapolis Private Industry council d/b/a EmployIndy	14.218	$92,479	$39,385	Federal grant passed through state or local government
Emergency Solutions Grant Program	City of Indianapolis	14.231	$37,375	$37,375	Federal grant passed through state or local government
Section 4 Capacity Building for Community Development and Affordable Housing	City of Indianapolis	14.252	$26,250	$19,000	Federal grant passed through state or local government
Shelter Plus Care - Continuum of Care Fund	City of Indianapolis	14.267	$409,246	$409,246	Federal grant passed through state or local government
Workforce Innovation and Opportunity Act Dislocated Worker National Reserve Demonstration Grants	Marion County Commission on Youth	17.280	$10,000	$10,000	Federal grant passed through state or local government
Veterans State Adult Day Health Care	U.S. Department of Veterans Affairs	64.026	$11,278	$11,278	Federal grant
21st Century Community Learning Centers	Indiana Department of Education	84.287	$402,566	$398,198	Federal grant passed through state or local government

12. Federal, State, and Local Grant Awards, Continued

Elder Solutions	Central Indiana Council on Aging	93.045	$35,302	$35,302	Federal grant passed through state or local government
Elder Alternatives Adult Day Care Center – Medicaid Waiver	Indiana Family and Social Services Administration	93.052	$173,111	$173,111	Federal grant passed through state or local government
Low-Income Home Energy Assistance Program	United Way of Central Indiana, Inc.	93.568	$3,616,692	$3,605,602	Federal grant passed through state or local government
Low-Income Home Energy Assistance Program	United Way of Central Indiana, Inc.	N/A	$100,946	$100,946	State or local government
Assets for Independence	Indiana Housing & Community Development Authority	93.602	$8,136	$8,136	Federal grant passed through state or local government
AmeriCorps – AARA	Serve Indiana, Indiana Department of Workforce Development	94.006	$157,414	$159,658	Federal grant passed through state or local government
Social Innovation Fund	Local Initiative Support Corporation	94.019	$150,332	$152,380	Federal grant passed through state or local government
LISC National	Local Initiative Support Corporation	94.019	$16,886	$14,526	Federal grant passed through state or local government
FEMA – Emergency Food and Shelter National Board Program	United Way Federal Emergency Management Agency	97.024	$20,783	$19,104	Federal grant passed through state or local government
Community Development Revolving Loan Fund Program for Credit Unions	Greater Indianapolis Progress Committee	44.002	$12,700	$12,700	Federal grant passed through state or local government
Total funding			$5,594,983	$5,495,646	

Supplementary Information

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CURRENT ASSETS											
Cash	$ 1,102,793	$ 119,313	$ 58,984	$ 18,879	$ 48,644	$ 6,034	$ 21,339	$ 12,842	$ 125,980	$ -	$ 1,514,808
Cash - restricted	26,213	396,592	109,467	-	49,003	-	95,594	128,261	141,973	-	947,103
Grant reimbursements receivable	870,260	-	-	-	-	-	-	-	-	-	870,260
United Way receivables	193,992	-	-	-	-	-	-	-	-	-	193,992
Related party receivables, net	7,890,587	-	143,593	-	85	66,421	144,609	-	2,003,113	(10,242,988)	5,420
Note receivable	530,000	-	-	-	-	-	-	-	-	-	530,000
Other receivables, net	9,805	3,174	61,786	-	9,938	3,035	22,589	1,721	-	-	112,048
Prepaid expenses	-	7,585	17,640	2,736	16,602	9,359	2,235	5,616	-	-	61,773
Lease inducement fees, net	-	-	-	-	-	-	-	-	843,750	(843,750)	-
Investment in subsidiaries	3,549,555	-	-	-	-	-	-	-	-	(3,549,555)	-
Short term investments	303,712	-	-	-	-	-	-	-	-	-	303,712
Total current assets	14,476,917	526,664	391,470	21,615	124,272	84,849	286,366	148,440	3,114,816	(14,636,293)	4,539,116
LONG TERM INVESTMENTS	10,711,284	-	-	-	-	-	-	-	-	-	10,711,284
NOTES RECEIVABLE	10,472,338	-	-	-	-	-	-	-	-	-	10,472,338
PROPERTY AND EQUIPMENT, NET	897,901	369,208	3,788,779	599,830	1,086,452	4,481,115	2,867,493	3,676,505	9,816,653	(2,408,728)	25,175,208
Total assets	$ 36,558,440	$ 895,872	$ 4,180,249	$ 621,445	$ 1,210,724	$ 4,565,964	$ 3,153,859	$ 3,824,945	$ 12,931,469	$ (17,045,021)	$ 50,897,946
CURRENT LIABILITIES											
Accounts payable	$ 331,300	$ 21,946	$ 23,960	$ -	$ 23,459	$ 20,554	$ 5,484	$ 1,427	$ -	$ -	$ 428,130
Accrued payroll	104,182	-	-	-	-	-	-	-	-	-	104,182
Related party payables	882,376	68,998	157,229	521,736	361,474	1,315,534	284,180	738,144	6,617	(4,334,788)	1,500
Other payables and accrued expenses	2,100,009	13,588	45,768	-	17,620	5	345,743	1,412,964	64,574	(3,644,728)	355,543
Deferred revenue	876,614	365	-	-	-	-	9	60	-	(843,750)	33,298
Current maturities of notes and mortgages payable	-	25,692	433,238	-	39,792	-	15,510	-	-	(433,238)	80,994
Total current liabilities	4,294,481	130,589	660,195	521,736	442,345	1,336,093	650,926	2,152,595	71,191	(9,256,504)	1,003,647
LONG-TERM LIABILITIES											
Notes and mortgages payable, net of current portion and financing fees of $164,861	1,871,800	1,423,649	-	-	1,502,031	-	926,496	1,275,590	13,858,875	(1,978,993)	18,879,448
Total liabilities	6,166,281	1,554,238	660,195	521,736	1,944,376	1,336,093	1,577,422	3,428,185	13,930,066	(11,235,497)	19,883,095
NET ASSETS (ACCUMULATED DEFICIT)											
Unrestricted - Controlling interest	19,469,346	(1,054,958)	3,369,158	99,709	(839,683)	3,229,871	319,663	(152)	(998,521)	(5,809,524)	17,784,909
Minority interest in net assets	-	-	-	-	-	-	1,256,774	396,912	(76)	-	1,653,610
Total unrestricted net assets (accumulated deficit)	19,469,346	(1,054,958)	3,369,158	99,709	(839,683)	3,229,871	1,576,437	396,760	(998,597)	(5,809,524)	19,438,519
Temporarily restricted	3,522,813	396,592	150,896	-	106,031	-	-	-	-	-	4,176,332
Permanetly restricted	7,400,000	-	-	-	-	-	-	-	-	-	7,400,000
Total net assets (accumulated deficit)	30,392,159	(658,366)	3,520,054	99,709	(733,652)	3,229,871	1,576,437	396,760	(998,597)	(5,809,524)	31,014,851
Total liabilities and net assets (accumulated deficit)	$ 36,558,440	$ 895,872	$ 4,180,249	$ 621,445	$ 1,210,724	$ 4,565,964	$ 3,153,859	$ 3,824,945	$ 12,931,469	$ (17,045,021)	$ 50,897,946

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CURRENT ASSETS											
Cash	$ 344,210	$ 3,843	$ 65,083	$ 84,723	$ 54,582	$ 7,723	$ 16,829	$ 7,413	$ 114,137	$ -	$ 698,543
Cash - restricted	28,692	351,469	109,303	-	41,609	-	87,672	116,188	242,835	-	977,768
Grant reimbursements receivable	955,511	-	-	-	-	-	-	-	-	-	955,511
United Way receivables	188,112	-	-	-	-	-	-	-	-	-	188,112
Related party receivables	6,490,245	-	162,316	-	-	109,590	159,596	-	1,621,088	(8,527,936)	14,899
Mortgage and notes receivable	533,000	-	-	-	-	-	-	-	-	-	533,000
Other receivables, net	2,258	9,303	1,032	-	7,027	7,870	9,277	1,578	-	-	38,345
Prepaid expenses	-	7,613	17,849	2,942	15,616	7,532	3,863	5,923	-	-	61,338
Lease inducement fees, net	-	-	-	-	-	-	-	-	875,000	(875,000)	-
Investment in subsidiaries	3,886,431	-	-	-	-	-	-	-	-	(3,886,431)	-
Investments	102,887	-	-	-	-	-	-	-	-	-	102,887
Total current assets	12,531,346	372,228	355,583	87,665	118,834	132,715	277,237	131,102	2,853,060	(13,289,367)	3,570,403
INVESTMENTS	809,491	-	-	-			-			-	809,491
NOTE RECEIVABLE	10,320,338	-	-	-	-	-	-	-	-	-	10,320,338
PROPERTY AND EQUIPMENT, NET	617,463	384,185	3,969,885	599,830	1,056,918	4,304,550	2,952,703	3,721,506	10,275,469	(2,408,728)	25,473,781
Total assets	$ 24,278,638	$ 756,413	$ 4,325,468	$ 687,495	$ 1,175,752	$ 4,437,265	$ 3,229,940	$ 3,852,608	$ 13,128,529	$ (15,698,095)	$ 40,174,013
CURRENT LIABILITIES											
Accounts payable	$ 76,100	$ 13,529	$ 28,302	$ 7,071	$ 8,306	$ 7,298	$ 5,933	$ 2,195	$ 10	$ -	$ 148,744
Accrued payroll	75,998	-	-	-	-	-	-	-	-	-	75,998
Related party payables	667,541	19,501	62,223	519,992	315,084	863,220	274,073	631,217	6,617	(3,357,968)	1,500
Other payables and accrued expenses	1,706,069	15,702	61,092	-	18,161	-	314,734	1,156,947	52,213	(2,970,506)	354,412
Deferred revenue	916,404	1,216	-	-	-	-	18,373	71	-	(875,000)	61,064
Line of credit	235,000	-	-	-	-	-	-	-	-	-	235,000
Current maturities of notes and mortgages payable	8,659	17,510	308,838	-	23,129	-	8,681	-	-	(308,838)	57,979
Total current liabilities	3,685,771	67,458	460,455	527,063	364,680	870,518	621,794	1,790,430	58,840	(7,512,312)	934,697
LONG-TERM LIABILITIES											
Notes and mortgages payable, net of current portion and financing fees of $144,987	1,477,796	1,165,484	-	-	1,545,643	-	915,149	1,273,733	13,858,875	(1,953,993)	18,282,687
Total liabilities	5,163,567	1,232,942	460,455	527,063	1,910,323	870,518	1,536,943	3,064,163	13,917,715	(9,466,305)	19,217,384
NET ASSETS (ACCUMULATED DEFICIT)											
Unrestricted - Controlling interest	17,212,423	(827,256)	3,697,881	160,432	(828,689)	3,566,747	319,675	(113)	(789,125)	(6,231,790)	16,280,185
Minority interest in net assets	-	-	-	-	-	-	1,373,322	788,558	(61)	-	2,161,819
Total unrestricted net assets (accumulated deficit)	17,212,423	(827,256)	3,697,881	160,432	(828,689)	3,566,747	1,692,997	788,445	(789,186)	(6,231,790)	18,442,004
Temporarily restricted	1,902,648	350,727	167,132	-	94,118	-	-	-	-	-	2,514,625
Total net assets (accumulated deficit)	19,115,071	(476,529)	3,865,013	160,432	(734,571)	3,566,747	1,692,997	788,445	(789,186)	(6,231,790)	20,956,629
Total liabilities and net assets (accumulated deficit)	$ 24,278,638	$ 756,413	$ 4,325,468	$ 687,495	$ 1,175,752	$ 4,437,265	$ 3,229,940	$ 3,852,608	$ 13,128,529	$ (15,698,095)	$ 40,174,013

	SOCIAL SERVICES			NEW LIFE MANOR APARTMENTS		BONER PROPERTIES, LLC		JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS		BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED		
REVENUE AND OTHER SUPPORT																
Direct Public Support																
Contributions	$ 11,632	$ 4,712	$ -	$ -	$ -	$ -	$ -	$ -	$ 134,000	$ -	$ -	$ -	$ -	$ -	$ (134,000)	$ 16,344
Special events, net of $26,414 expense	35,309	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,309
Total direct public support	46,941	4,712	-	-	-	-	-	-	134,000	-	-	-	-	-	(134,000)	51,653
Indirect Public Support																
United Way																
Support funds	1,188,515	-	-	-	-	11,700	-	-	-	-	-	-	-	-	-	1,200,215
Donor option	11,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,080
Grants and awards	711,190	2,292,085	7,400,000	-	-	-	-	-	-	-	-	-	-	-	(22,824)	10,380,451
Total indirect public support	1,910,785	2,292,085	7,400,000	-	-	11,700	-	-	-	-	-	-	-	-	(22,824)	11,591,746
Fees and Grants from Government and Other Agencies	6,420,684	-	-	-	-	-	-	-		-	-	-	-	-	(656,484)	5,764,200
Other Revenue																
Program service fees	289,314	-	-	-	-	-	-	-	-	-	-				-	289,314
Rent income and other charges	520	-	-	48,043	329,297	541,191	1,086	-	290,909	74,506	202,657	184,745	87,157	564,225	(759,525)	1,564,811
Investment income	464,257	-	-	327	-	174	-	-	81	-	-	-	132	196	(321,673)	143,494
Change in investment in subsidiary	(336,876)	-	-	-	-	-	-	-	-	-	-	-	-	-	336,876	-
Other revenue	182,623	-	-	1,207	-	95,120	-	-	406	-	952	36,062	2,509	-	(68,248)	250,631
In-kind	1,586,906	-	-	-	-	47	-	-	-	-	500	-	-	-	-	1,587,453
Total other revenue	2,186,744	-	-	49,577	329,297	636,532	1,086	-	291,396	74,506	204,109	220,807	89,798	564,421	(812,570)	3,835,703
Net Assets Released from Restrictions	676,632	(676,632)	-	283,432	(283,432)	17,322	(17,322)	-	62,593	(62,593)	-	-	-	-	-	-
Total revenue and other support	11,241,786	1,620,165	7,400,000	333,009	45,865	665,554	(16,236)	-	487,989	11,913	204,109	220,807	89,798	564,421	(1,625,878)	21,243,302
EXPENSES																
Salaries and wages	2,550,110	-	-	80,173	-	114,864	-	-	70,522	-	44,459	29,720	17,355	-	(357,824)	2,549,379
Employee benefits	362,721	-	-	12,990	-	21,349	-	47	13,184	-	7,499	-	-	-	(67,482)	350,308
Payroll taxes	248,974	-	-	9,302	-	11,021	-	79	8,049	-	4,913	8,011	6,453	-	(38,211)	258,591
Specific assistance	3,760,812	-	-	-	-	-	-	-	16,135	-	-	-	-	-	(32,528)	3,744,419
Leasing costs	14,294	-	-	-	-	-	-	-	-	-	-	-	1,139	-	-	15,433
Professional fees	141,114	-	-	11,045	-	1,971	-	-	6,860	-	15,614	8,063	5,928	-	(4,200)	186,395
Professional fees - other service providers	126,411	-	-	25,519	-	40,535	-	-	13,180	-	7,623	12,611	2,500	10,824	(185,985)	53,218
Management fee	-	-	-	27,736	-	38,458	-	-	26,735	-	-	-	5,229	83,558	(98,158)	83,558
Supplies	122,178	-	-	61,030	-	374	-	-	1,079	-	7,026	3,713	274	-	(254)	195,420
Telephone	21,807	-	-	-	-	1,975	-	-	2,730	-	670	598	768	-	-	28,548
Postage and shipping	5,023	-	-	-	-	33	-	-	-	-	4	-	-	-	-	5,060
Occupancy - rental, utilities, and insurance	815,875	-	-	50,072	-	190,084	-	28,596	69,458	-	93,325	56,652	38,561	-	(686,847)	655,776
Occupancy - repairs, maintenance	1,299	-	-	11,403	-	235,327	-	-	24,161	-	-	31,550	13,795	-	-	317,535
Other repairs and maintenance	44,741	-	-	-	-	30,470	-	-	31,889	-	34,546	-	-	-	-	141,646
Conferences and meetings	56,332	-	-	325	-	2,779	-	-	2,345	-	209	-	-	-	-	61,990
Printing and publications	7,909	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,909
Travel and transportation	16,192	-	-	-	-	2,179	-	-	1,200	-	277	844	566	-	(4,767)	16,491
Contributions, dues, and awards	184,157	-	-	-	-	44	-	-	297	-	49	-	2,505	-	(157,338)	29,714
Activity fees and charges	8,428	-	-	16,393	-	-	-	-	-	-	-	-	-	-	-	24,821
Interest expense	66,777	-	-	152,152	-	12,991	-	-	87,879	-	-	50,026	255,817	127,710	(321,673)	431,679
Other expenses	47,914	-	-	7,082	-	67,474	-	32,001	7,033	-	2,807	36,399	16,337	47	-	217,094
In-kind	214,034	-	-	-	-	47	-	-	-	-	500	-	-	-	-	214,581
Bad debt expense (recoveries)	(9,909)	-	-	10,481	-	15,001	-	-	5,410	-	316	-	1,388	-	-	22,687
(Gain) loss on disposal of property and equipment	-	-	-	-	-	55,393	-	-	-	-	-	-	-	-	-	55,393
Depreciation and amortization	177,670	-	-	85,008	-	151,908	-	-	110,837	-	321,148	99,180	112,868	490,066	(31,250)	1,517,435
Total expenses	8,984,863	-	-	560,711	-	994,277	-	60,723	498,983	-	540,985	337,367	481,483	712,205	(1,986,517)	11,185,080
CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS	2,256,923	1,620,165	7,400,000	(227,702)	45,865	(328,723)	(16,236)	(60,723)	(10,994)	11,913	(336,876)	(116,560)	(391,685)	(147,784)	360,639	10,058,222
CAPITAL DISTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	(61,627)	61,627	-
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	17,212,423	1,902,648	-	(827,256)	350,727	3,697,881	167,132	160,432	(828,689)	94,118	3,566,747	1,692,997	788,445	(789,186)	(6,231,790)	20,956,629
NET ASSETS (ACCUMULATED DEFICIT), END OF YEAR	$ 19,469,346	$ 3,522,813	$ 7,400,000	$ (1,054,958)	$ 396,592	$ 3,369,158	$ 150,896	$ 99,709	$ (839,683)	$ 106,031	$ 3,229,871	$ 1,576,437	$ 396,760	$ (998,597)	$ (5,809,524)	$ 31,014,851

	SOCIAL SERVICES		NEW LIFE MANOR APARTMENTS		BONER PROPERTIES, LLC		JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS		BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED		
REVENUE AND OTHER SUPPORT															
Direct Public Support															
Contributions	$ 28,785	$ 3,100	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,885
Special events, net of $22,072 expense	80,106	-	-	-	-	-	-	-	-	-	-	-	-	-	80,106
Total direct public support	108,891	3,100	-	-	-	-	-	-	-	-	-	-	-	-	111,991
Indirect Public Support															
United Way															
Support funds	396,533	-	-	-	13,423	-	-	-	-	-	-	-	-	-	409,956
Donor option	8,474	-	-	-	-	-	-	-	-	-	-	-	-	-	8,474
Grants and awards	186,487	978,206	-	-	-	-	-	-	-	-	-	-	-	(13,423)	1,151,270
Total indirect public support	591,494	978,206	-	-	13,423	-	-	-	-	-	-	-	-	(13,423)	1,569,700
Fees and Grants from Government and Other Agencies	7,562,124	-	-	-	-	-	-	-	-	-	-	-	-	(675,175)	6,886,949
Other Revenue															
Program service fees	268,715	-	-	-	-	-	-	-	-	-	-	-	-	-	268,715
Rent income and other charges	3,915	-	310,317	73,037	647,956	4,252	-	288,072	89,305	180,211	215,238	81,615	564,222	(723,383)	1,734,757
Investment income	426,879	-	347	-	1	-	-	75	-	-	-	-	369	(283,759)	143,912
Change in investment in subsidiary	(342,998)	-	-	-	-	-	-	-	-	-	-	-	-	342,998	-
Other revenue	173,753	-	1,912	-	31,122	-	-	1,100	-	1,976	20,376	2,523	-	(44,067)	188,695
In-kind	106,828	-	-	-	-	-	-	-	-	-	-	-	-	-	106,828
Total other revenue	637,092	-	312,576	73,037	679,079	4,252	-	289,247	89,305	182,187	235,614	84,138	564,591	(708,211)	2,442,907
Net Assets Released from Restrictions	250,556	(250,556)	96,488	(96,488)	35,218	(35,218)	-	75,792	(75,792)	-	-	-	-	-	-
Total revenue and other support	9,150,157	730,750	409,064	(23,451)	727,720	(30,966)	-	365,039	13,513	182,187	235,614	84,138	564,591	(1,396,809)	11,011,547
EXPENSES															
Salaries and wages	2,320,711	-	88,147	-	123,128	-	-	66,976	-	42,882	31,489	17,680	-	(371,320)	2,319,693
Employee benefits	306,515	-	14,150	-	21,434	-	138	11,434	-	6,765	-	-	-	(65,837)	294,599
Payroll taxes	237,934	-	10,123	-	11,209	-	76	7,958	-	4,827	7,618	6,294	-	(39,334)	246,705
Specific assistance	4,424,899	-	-	-	-	-	-	16,871	-	-	-	-	-	(33,913)	4,407,857
Leasing costs	16,952	-	-	-	-	-	-	-	-	-	-	1,331	-	-	18,283
Professional fees	53,450	-	10,297	-	475	-	1,300	7,877	-	13,353	5,758	5,773	-	(4,200)	94,083
Professional fees - other service providers	234,066	-	20,700	-	42,148	-	-	10,008	-	7,234	12,646	2,504	15,914	(136,209)	209,011
Management fee	-	-	28,100	-	46,879	-	-	27,617	-	-	-	4,897	83,556	(107,493)	83,556
Supplies	186,850	-	31,203	-	616	-	124	770	-	6,479	4,231	81	-	-	230,354
Telephone	27,116	-	-	-	1,617	-	-	2,470	-	343	490	1,023	-	-	33,059
Postage and shipping	5,290	-	-	-	28	-	-	-	-	1	-	-	-	-	5,319
Occupancy - rental, utilities, and insurance	750,861	-	44,497	-	173,805	-	8,178	75,998	-	93,679	59,097	39,799	-	(557,814)	688,100
Occupancy - repairs, maintenance	484	-	9,894	-	66,256	-	-	20,470	-	-	18,894	18,238	-	-	134,236
Other repairs and maintenance	47,825	-	-	-	48,947	-	-	18,458	-	13,698	-	-	-	-	128,928
Conferences and meetings	57,947	-	168	-	2,585	-	-	1,737	-	47	-	-	-	-	62,484
Printing and publications	23,972	-	-	-	-	-	-	-	-	-	-	-	-	-	23,972
Travel and transportation	17,156	-	-	-	2,302	-	-	937	-	253	1,179	802	-	(4,099)	18,530
Contributions, dues, and awards	25,806	-	-	-	183	-	-	109	-	-	-	2,440	-	(15,823)	12,715
Activity fees and charges	29,261	-	17,836	-	-	-	-	-	-	-	-	-	-	-	47,097
Interest expense	79,957	-	83,546	-	12,261	-	-	102,079	-	-	49,950	230,922	127,710	(283,759)	402,666
Other expenses	22,915	-	6,374	-	62,728	-	8,385	4,776	-	9,233	32,193	15,560	20	-	162,184
In-kind	97,868	-	-	-	-	-	-	-	-	-	-	-	-	-	97,868
Bad debt expense	2,548	-	1,275	-	19,538	-	-	1,770	-	1,036	-	3,131	-	-	29,298
(Gain) loss on disposal of property and equipment	(1,400)							-		4,207	-				2,807
Depreciation and amortization	159,630	-	107,265	-	152,343	-	-	113,595	-	321,148	100,864	113,812	490,067	(31,250)	1,527,474
Total expenses	9,128,613	-	473,575	-	788,482	-	18,201	491,910	-	525,185	324,409	464,287	717,267	(1,651,051)	11,280,878
CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS	21,544	730,750	(64,511)	(23,451)	(60,762)	(30,966)	(18,201)	(126,871)	13,513	(342,998)	(88,795)	(380,149)	(152,676)	254,242	(269,331)
CAPITAL DISTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	(60,614)	60,614	-
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	17,190,879	1,171,898	(762,745)	374,178	3,758,643	198,098	178,633	(701,818)	80,605	3,909,745	1,781,792	1,168,594	(575,896)	(6,546,646)	21,225,960
NET ASSETS (ACCUMULTED DEFICIT), END OF YEAR	$ 17,212,423	$ 1,902,648	$ (827,256)	$ 350,727	$ 3,697,881	$ 167,132	$ 160,432	$ (828,689)	$ 94,118	$ 3,566,747	$ 1,692,997	$ 788,445	$ (789,186)	$ (6,231,790)	$ 20,956,629

INCREASE (DECREASE) IN UNRESTRICTED CASH

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR, EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash received from organizations and others	$ 9,779,356	$ 373,344	$ 592,065	$ -	$ 491,500	$ 497,998	$ 204,118	$ 88,124	$ 182,200	$ 1,769,980	$ 13,978,685
Cash paid to suppliers, employees, and others	(7,717,428)	(250,972)	(683,388)	(65,844)	(234,841)	-	(180,652)	264,117	(143,705)	(1,682,292)	(10,695,005)
Interest paid	(66,777)	(152,152)	(12,991)	-	(87,879)	-	(15,240)	(255,817)	(66,083)	321,673	(335,266)
Investment income received	449,701	327	174	-	81	-	-	132	196	(321,673)	128,938
Net cash provided by (used in) operating activities	2,444,852	(29,453)	(104,140)	(65,844)	168,861	497,998	8,226	96,556	(27,392)	87,688	3,077,352
CASH FLOWS FROM INVESTING ACTIVITIES											
Net deposits (to) from reserves	2,479	(45,123)	(164)	-	(7,394)	-	(7,922)	(12,073)	100,862	-	30,665
Proceeds from sale of investments	1,200,000	-	-	-	-	-	-	-	-	-	1,200,000
Purchases of investments	(9,988,062)	-	-	-	-	-	-	-	-	-	(9,988,062)
Acquisition of property and equipment	(298,990)	(76,301)	(26,195)	-	(138,349)	(499,687)	(13,970)	(79,054)	-	-	(1,132,546)
Net cash provided by (used in) investing activities	(9,084,573)	(121,424)	(26,359)	-	(145,743)	(499,687)	(21,892)	(91,127)	100,862	-	(9,889,943)
CASH FLOWS FROM FINANCING ACTIVITIES											
Net repayments on line of credit	(235,000)	-	-	-	-	-	-	-	-	-	(235,000)
Borrowings (principal payments) on notes and mortgages payable	385,345	340,674	124,400	-	(26,949)	-	18,176	-	-	(149,315)	692,331
Net activity on notes receivable	(149,000)	-	-	-	-	-	-	-	-	-	(149,000)
Contribution for endowment purposes	7,400,000	-	-	-	-	-	-	-	-	-	7,400,000
Payment of financing fees	(3,041)	(74,327)	-	-	(2,107)	-	-	-	-	-	(79,475)
Distributions received (paid)	-	-	-	-	-	-	-	-	(61,627)	61,627	-
Net cash provided by (used in) financing activities	7,398,304	266,347	124,400	-	(29,056)	-	18,176	-	(61,627)	(87,688)	7,628,856
NET INCREASE (DECREASE) IN CASH	758,583	115,470	(6,099)	(65,844)	(5,938)	(1,689)	4,510	5,429	11,843	-	816,265
UNRESTRICTED CASH, BEGINNING OF YEAR	344,210	3,843	65,083	84,723	54,582	7,723	16,829	7,413	114,137	-	698,543
UNRESTRICTED CASH, END OF YEAR	$ 1,102,793	$ 119,313	$ 58,984	$ 18,879	$ 48,644	$ 6,034	$ 21,339	$ 12,842	$ 125,980	$ -	$ 1,514,808
SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES											
Donated property and equipment	$ 48,297	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,297
Donated investment	1,300,000	-	-	-	-	-	-	-	-	-	1,300,000
Purchase of property and equipment in accounts payable	116,184	-	-	-	-	-	-	62,658	-	-	178,842

RECONCILIATION OF CHANGE IN NET ASSETS TO NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT, APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CHANGE IN NET ASSETS	$ 11,277,088	$ (181,837)	$ (344,959)	$ (60,723)	$ 919	$ (336,876)	$ (116,560)	$ (391,685)	$ (147,784)	$ 360,639	$ 10,058,222
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES											
Loss on disposal of property and equipment	-	-	55,393	-	-	1,974	-	-	-	-	57,367
Depreciation and amortization	177,670	85,008	151,908	-	110,837	321,148	99,180	112,868	490,066	(31,250)	1,517,435
Restricted contribution to endowment	(7,400,000)	-	-	-	-	-	-	-	-	-	(7,400,000)
Donated goods, property, equipment, and investment	(1,348,297)	-	-	-	-	-	-	-	-	-	(1,348,297)
Unrealized gains on investments	(14,556)	-	-	-	-	-	-	-	-	-	(14,556)
Change in investment in subsidiary	336,876	-	-	-	-	-	-	-	-	(336,876)	-
(Increase) decrease in operating assets:											
Grant reimbursements receivable	85,251	-	-	-	-	-	-	-	-	-	85,251
United Way receivables	(5,880)	-	-	-	-	-	-	-	-	-	(5,880)
Related party receivables	(1,400,342)	-	18,723	-	-	43,169	14,987	-	(382,025)	1,714,967	9,479
Pledges receivable	-	-	-	-	-	-	-	-	-	-	-
Other receivables, net	(7,547)	6,129	(60,754)	-	(2,911)	4,835	(13,312)	(143)	-	-	(73,703)
Prepaid expenses	-	28	209	206	(986)	(1,827)	1,628	307	-	-	(435)
Increase (decrease) in operating liabilities:											
Accounts payable	147,420	14,687	(4,342)	(7,071)	15,153	13,256	(449)	12,276	(10)	-	190,920
Accrued payroll	28,184	-	-	-	-	-	-	-	-	-	28,184
Related party payables	214,835	49,497	95,006	1,744	46,390	452,314	10,107	106,927	-	(976,820)	-
Other payables and accrued expenses	393,940	(2,114)	(15,324)	-	(541)	5	31,009	256,017	12,361	(674,222)	1,131
Deferred revenue	(39,790)	(851)	-	-	-	-	(18,364)	(11)	-	31,250	(27,766)
Total adjustments	(8,832,236)	152,384	240,819	(5,121)	167,942	834,874	124,786	488,241	120,392	(272,951)	(6,980,870)
NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 2,444,852	$ (29,453)	$ (104,140)	$ (65,844)	$ 168,861	$ 497,998	$ 8,226	$ 96,556	$ (27,392)	$ 87,688	$ 3,077,352

INCREASE (DECREASE) IN UNRESTRICTED CASH

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	7897, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITEIS												
Cash received from organizations and others	$ 8,559,853	$ 381,430	$ 753,588	$ -	$ 378,498	$ 123,880	$ -	$ 206,124	$ 80,747	$ 180,400	$ 1,170,433	$ 11,834,953
Cash paid to suppliers, employees, and others	(9,107,634)	(279,124)	(650,052)	485,928	(228,200)	340,628	-	(175,532)	(75,451)	(149,482)	(1,301,447)	(11,140,366)
Interest paid	(79,957)	(83,546)	(12,261)	-	(102,079)	-	-	(15,164)	1	(67,096)	283,759	(76,343)
Investment income received	426,879	347	1	-	75	-	-	-	-	369	(283,759)	143,912
Net cash provided by (used in) operating activities	(200,859)	19,107	91,276	485,928	48,294	464,508	-	15,428	5,297	(35,809)	(131,014)	762,156
CASH FLOWS FROM INVESTING ACTIVITES												
Net deposits (to) from reserves	39,799	22,709	35,022	-	(8,556)	-	-	(7,312)	(6,249)	107,689	-	183,102
Proceeds from certificates of deposit	(912,378)	-	-	-	-	-	-	-	-	-	-	(912,378)
Acquisition of property and equipment	(57,839)	(28,114)	(43,761)	(401,205)	(8,097)	(462,489)	-	-	(106)	-	-	(1,001,611)
Net cash provided by (used in) investing activities	(930,418)	(5,405)	(8,739)	(401,205)	(16,653)	(462,489)	-	(7,312)	(6,355)	107,689	-	(1,730,887)
CASH FLOWS FROM FINANCING ACTIVITIES												
Net proceeds on line of credit	(317,000)	-	-	-	-	-	-	-	-	-	-	(317,000)
Borrowings (principal payments) on notes and mortgages payable	526,619	(16,452)	(70,400)	-	(21,733)	-	-	(8,227)	-	-	70,400	480,207
Net activity on mortgage and notes receivable	(33,000)	-	-	-	-	-	-	-	-	-	-	(33,000)
Payment of financing fees	-	(5,800)	-	-		-		-	-	-	-	(5,800)
Distributions paid	-	-	-	-	-	-	-	-	-	(60,614)	60,614	-
Net cash provided by (used in) financing activities	176,619	(22,252)	(70,400)	-	(21,733)	-	-	(8,227)	-	(60,614)	131,014	124,407
NET INCREASE (DECREASE) IN CASH	(954,658)	(8,550)	12,137	84,723	9,908	2,019	-	(111)	(1,058)	11,266	-	(844,324)
UNRESTRICTED CASH, BEGINNING OF YEAR	1,298,868	12,393	52,946	-	44,674	5,704	-	16,940	8,471	102,871	-	1,542,867
UNRESTRICTED CASH, END OF YEAR	$ 344,210	$ 3,843	$ 65,083	$ 84,723	$ 54,582	$ 7,723	$ -	$ 16,829	$ 7,413	$ 114,137	$ -	$ 698,543
SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES												
Donated property and equipment	$ 2,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,500
Purchase of property and equipment in accounts payable	8,404	-	-	-	-	-	-	-	75,702	-	-	84,106
Purchase of property and equipment with loan payable	46,636								-	-	-	46,636

RECONCILIATION OF CHANGE IN NET ASSETS TO NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CHANGE IN NET ASSETS	$ 752,294	$ (87,962)	$ (91,728)	$ (18,201)	$ (113,358)	$ (342,998)	$ (88,795)	$ (380,149)	$ (152,676)	$ 254,242	$ (269,331)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES											
(Gain) loss on disposal of property and equipment	(1,400)	-	-	-	-	4,207	-	-	-	-	2,807
Depreciation and amortization	159,630	107,265	152,343	-	113,595	321,148	100,864	113,812	490,067	(31,250)	1,527,474
Donated goods, property, and equipment	(2,500)	-	-	-	-	-	-	-	-	-	(2,500)
Change in investment in subsidiary	342,998	-	-	-	-	-	-	-	-	(342,998)	-
(Increase) decrease in operating assets:											
Grant reimbursements receivable	(382,844)	-	-	-	-	-	-	-	-	-	(382,844)
United Way receivables	9,924	-	-	-	-	-	-	-	-	-	9,924
Related party receivables	(753,655)	-	36,671	-	-	(54,508)	(43,536)	-	(383,822)	1,227,939	29,089
Pledges receivable	1,208	-	-	-	-	-	-	-	-	-	1,208
Other receivables	6,703	(2,320)	39,702	-	1,791	(4,835)	2,631	(287)	-	-	43,385
Prepaid expenses	-	142	270	(2,942)	(529)	(15)	94	24	-	-	(2,956)
Increase (decrease) in operating liabilities:											
Accounts payable	(41,821)	13,529	(22,173)	7,071	4,007	(5,652)	(5,124)	(75,301)	10	-	(125,454)
Accrued payroll	(99,834)	-	-	-	-	-	-	-	-	-	(99,834)
Related party payables	(1,713,110)	(6,019)	(28,144)	500,000	42,864	547,161	-	117,175	-	540,073	-
Other payables and accrued expenses	1,533,229	(5,287)	4,335	-	(76)	-	37,879	229,996	10,612	(1,810,270)	418
Deferred revenue	(11,681)	(241)	-	-	-	-	11,415	27	-	31,250	30,770
Total adjustments	(953,153)	107,069	183,004	504,129	161,652	807,506	104,223	385,446	116,867	(385,256)	1,031,487
NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (200,859)	$ 19,107	$ 91,276	$ 485,928	$ 48,294	$ 464,508	$ 15,428	$ 5,297	$ (35,809)	$ (131,014)	$ 762,156

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
City of Indianapolis			
Community Development Block Grant - Employment Service	14.218	1300002586/1300002575	$ 38,500
Community Development Block Grant - Facility Rehabilitation	14.218	1300002636/1300002511	194,658
Community Development Block Grant - Public Service	14.218	1300002735	9,363
			242,521
Indianapolis Private Industry Council d/b/a EmployIndy			
Community Development Block Grant - Employment Service	14.218	S1002-C-16-CDBG	92,479
Total Community Development Block Grant			335,000
City of Indianapolis			
Emergency Solutions Grant Program	14.231	1300002622	37,375
City of Indianapolis			
Shelter Plus Care - Continuum of Care Fund	14.267	1300003000	2,131
Shelter Plus Care - Continuum of Care Fund	14.267	1300003001	10,581
Shelter Plus Care - Continuum of Care Fund	14.267	1300002349	185,749
Shelter Plus Care - Continuum of Care Fund	14.267	1300002839	37,693
Shelter Plus Care - Continuum of Care Fund	14.267	1300002341	31,203
Shelter Plus Care - Continuum of Care Fund	14.267	1300002340	141,889
			409,246
Local Initiatives Support Corporation			
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	43675-0041/43675-0043	26,250
Total U.S. Department of Housing and Urban Development Programs			807,871
U.S. DEPARTMENT OF LABOR			
Marion County Commission on Youth			
Workforce Innovation and Opportunity Act Dislocated Worker National Reserve Demonstration Grants	17.280	S1307-W10-16-Y	10,000
NATIONAL CREDIT UNION ADMINISTRATION			
Greater Indianapolis Progress Committee			
Community Development Revolving Loan Fund Program for Credit Unions	44.002	16VITA0053	12,700
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Veterans State Adult Day Health Care	64.026	N/A	11,278
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education			
21st Century Community Learning Centers	84.287	EDS#A58-7-17DL-0136	51,380
21st Century Community Learning Centers	84.287	EDS#A58-6-16DL-3089	38,152
21st Century Community Learning Centers	84.287	EDS#A58-6-16DL-3092	153,292
21st Century Community Learning Centers	84.287	EDS#A58-7-17DL-0083	159,742
Total U.S. Department of Education Programs			402,566
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Central Indiana Council on Aging			
Elder Solutions	93.045	T-III-E-2016-17-07	35,302
Indiana Family and Social Services Administration			
Elder Alternative Adult Day Care Center - Medicaid Waiver	93.052	100108120A	173,111
United Way of Central Indiana, Inc.			
Low-Income Home Energy Assistance Program	93.568	LI-016-027/LI-017-027	3,616,692
Indiana Housing & Community Development Authority			
Assets for Independence	93.602	IDA-012-015	8,136
Total U.S. Department of Health and Human Services Programs			$ 3,833,241

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Serve Indiana, Indiana Department of Workforce Development			
AmeriCorps - AARA	94.006	AF-4-884/AF-6-884	$ 157,414
Local Initiative Support Corporation			
Social Innovation Fund	94.019	43675-0039/43675-0042	150,332
LISC National	94.019	43675-0038	16,886
			167,218
Total Corporation for National and Community Service Programs			324,632
U.S. DEPARTMENT OF HOMELAND SECURITY			
United Way Federal Emergency Management Agency			
FEMA - Emergency Food and Shelter National Board Program	97.024	272800-019	20,783
Grand Total			$ 5,423,071

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Center and BP under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center and BP, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center and BP.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to

3. INDIRECT COST RATE

The Center and BP have elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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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*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The
John H. Boner Community Center, Inc.
d/b/a John Boner Neighborhood Centers and Subsidiaries:

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 of America, the consolidated financial statements of The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of activities, changes in net assets, and cash flows for the year ended, and the related notes to consolidated financial statements, which collectively comprise the Organization's basic consolidated financial statements, and have issued our report thereon dated June 13, 2017. Our report includes a reference to other auditors who audited the financial statements of New Life Manor, Inc., Brookside Apartments, LP, Jefferson Apartments, LP, and Near East Side Legacy Center, LLC, as described in our report on the Organization's consolidated financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of 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 consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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.

Greenwalt CPAs, Inc.

June 13, 2017

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The
John H. Boner Community Center, Inc.
d/b/a John Boner Neighborhood Centers and Subsidiaries:

Report on Compliance for Each Major Federal Program

We have audited The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries' (collectively, the Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2016. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Organization's basic consolidated financial statements include the operations of New Life Manor (NLM), which received $1,808,542 in federal awards which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2016. The Organization's basic consolidated financial statements include the operations of Parish Place, Inc. d/b/a Byrne Court Apartments (Byrne), which received $1,898,355 in federal awards for the year ended June 30, 2016 which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2016. Our audit, described below, did not include the operations of NLM or Byrne because the entities engaged other auditors to perform audits of compliance.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Greenwalt CPAs, Inc.

June 13, 2017

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued on whether the consolidated financial statements were prepared in accordance with GAAP: Unmodified

2. Internal control over financial reporting:

Material weakness identified?	_______yes	___X___no
Significant deficiency identified?	_______yes	___X___none reported

3. Noncompliance material to financial statements noted? _______yes ___X___no

4. Internal control over major federal programs:

Material weakness identified?	_______yes	___X___no
Significant deficiency identified?	_______yes	___X___none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with with 2 CFR section 200.516(a)? _______yes ___X___no

7. Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
93.568	Low-Income Home Energy Assistance Program

8. Dollar threshold used to distinguish between type A and type B programs: $ 750,000

9. Auditee qualified as low-risk auditee? ___X___yes _______no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None