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, 2019 AND 2018

GREENWALT CPAs

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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, 2019 and 2018, 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, LLC (NLM), Brookside Apartments, LP (BA), Jefferson Apartments, LP (JA), and IndyEast Homes, LP (IEH) which statements reflect total assets of $13,530,261 and $12,626,048 at December 31, 2019 and 2018, respectively, and total revenues of $1,018,365 and $896,796, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for NLM, BA, JA, and IEH, 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 audits 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, 2019 and 2018, 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 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 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 30, 2020, 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 solely 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 effectiveness of the Organization's 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 30, 2020, except for Note 11, as to which the date is July 28, 2020

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	$ 4,218,268	$ 5,324,371
Cash - restricted	640,044	701,936
Grant reimbursements receivable	474,714	591,449
United Way receivables	592,953	343,456
Related party receivables, net	57,296	109,012
Notes receivable, current portion	2,159,433	800,107
Other receivables, net	125,751	204,519
Prepaid expenses	225,798	145,813
Total current assets	8,494,257	8,220,663
LONG TERM INVESTMENTS	13,255,456	10,079,208
NOTES RECEIVABLE, NET OF CURRENT PORTION	-	405,651
PROPERTY AND EQUIPMENT, NET	29,349,500	26,851,101
Total assets	$ 51,099,213	$ 45,556,623

LIABILITIES AND NET ASSETS

	2019	2018
CURRENT LIABILITIES		
Accounts payable	$ 1,420,561	$ 665,374
Accrued payroll	151,450	127,159
Related party payables	23,929	1,500
Other payables and accrued expenses	524,232	523,230
Deferred revenue	31,950	32,726
Line of credit	342,500	500,000
Current maturities of notes and mortgages payable	1,064,749	1,859,331
Total current liabilities	3,559,371	3,709,320
LONG-TERM LIABILITIES		
Notes and mortgages payable, net of current portion and financing fees	4,249,729	5,586,049
Total liabilities	7,809,100	9,295,369
COMMITMENTS AND CONTINGENCIES (NOTES 12 AND 13)		
NET ASSETS		
Without donor restrictions - controlling interest	26,128,837	21,593,305
Minority interest in net assets without donor restrictions	5,281,698	1,038,454
Total net assets without donor restrictions	31,410,535	22,631,759
With donor restrictions - time or purpose	4,479,578	6,229,495
With donor restrictions - in perpetuity	7,400,000	7,400,000
Total net assets	43,290,113	36,261,254
Total liabilities and net assets	$ 51,099,213	$ 45,556,623

See accompanying notes to financial statements.

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	TOTAL
REVENUE AND OTHER SUPPORT								
Direct Public Support								
Contributions	$ 46,670	$ -	$ -	$ 46,670	$ 35,212	$ -	$ -	$ 35,212
Special events, net of expense of $21,811 in 2019 and $25,231 in 2018	20,518	-	-	20,518	33,932	-	-	33,932
Total direct public support	67,188	-	-	67,188	69,144	-	-	69,144
Indirect Public Support								
United Way								
Support funds	704,718	-	-	704,718	430,644	-	-	430,644
Donor option	11,893	-	-	11,893	22,961	-	-	22,961
Grants and awards	2,788,621	542,750	-	3,331,371	589,048	4,505,211	-	5,094,259
Total indirect public support	3,505,232	542,750	-	4,047,982	1,042,653	4,505,211	-	5,547,864
Fees and Grants from Government and Other Agencies	3,609,984	-	-	3,609,984	3,249,440	-	-	3,249,440
Other Revenue								
Program service fees	233,030	-	-	233,030	194,109	-	-	194,109
Rent income and other charges	1,647,855	115,742	-	1,763,597	1,538,192	119,362	-	1,657,554
Investment income loss	1,464,025	-	-	1,464,025	(194,171)	-	-	(194,171)
Change in investment in subsidiaries	(57,794)	-	-	(57,794)	(35,484)	-	-	(35,484)
Other revenue	480,360	-	-	480,360	357,585	-	-	357,585
In-kind	252,092	-	-	252,092	3,726,915	-	-	3,726,915
Total other revenue	4,019,568	115,742	-	4,135,310	5,587,146	119,362	-	5,706,508
Net Assets Released from Restriction	2,408,409	(2,408,409)	-	-	1,424,936	(1,424,936)		-
Total revenue and other support	13,610,381	(1,749,917)	-	11,860,464	11,373,319	3,199,637	-	14,572,956
EXPENSES								
Salaries and wages	3,357,946	-	-	3,357,946	3,312,680	-	-	3,312,680
Employee benefits	471,410	-	-	471,410	444,503	-	-	444,503
Payroll taxes	333,178	-	-	333,178	333,994	-	-	333,994
Specific assistance	620,951	-	-	620,951	653,381	-	-	653,381
Leasing costs	28,645	-	-	28,645	28,490	-	-	28,490
Professional fees	580,722	-	-	580,722	184,165	-	-	184,165
Professional fees - other service providers	720,837	-	-	720,837	514,170	-	-	514,170
Supplies	361,418	-	-	361,418	350,929	-	-	350,929
Telephone	45,697	-	-	45,697	35,071	-	-	35,071
Postage and shipping	2,840	-	-	2,840	4,792	-	-	4,792
Occupancy - rental, utilities, insurance	665,468	-	-	665,468	566,043	-	-	566,043
Occupancy - repairs, maintenance	332,909	-	-	332,909	327,435	-	-	327,435
Other repairs and maintenance	244,012	-	-	244,012	203,866	-	-	203,866
Conferences and meetings	104,948	-	-	104,948	129,725	-	-	129,725
Printing and publications	4,127	-	-	4,127	3,857	-	-	3,857
Travel and transportation	19,441	-	-	19,441	19,572	-	-	19,572
Contributions, dues and awards	214,347	-	-	214,347	15,475	-	-	15,475
Activity fees and charges	81,992	-	-	81,992	28,670	-	-	28,670
Interest	279,352	-	-	279,352	242,487	-	-	242,487
Other	188,463	-	-	188,463	178,413	-	-	178,413
In-kind	252,092	-	-	252,092	188,360	-	-	188,360
Bad debt	66,900	-	-	66,900	39,605	-	-	39,605
Gain on disposal of property and equipment	(159,512)	-	-	(159,512)	-	-	-	-
Depreciation and amortization	1,547,763	-	-	1,547,763	1,505,011	-	-	1,505,011
Total expenses	10,365,946	-	-	10,365,946	9,310,694	-	-	9,310,694
CHANGE IN NET ASSETS	3,244,435	(1,749,917)	-	1,494,518	2,062,625	3,199,637	-	5,262,262
CAPITAL CONTRIBUTIONS	5,534,341	-	-	5,534,341	347,826	-	-	347,826
NET ASSETS, BEGINNING OF YEAR	22,631,759	6,229,495	7,400,000	36,261,254	20,221,308	3,029,858	7,400,000	30,651,166
NET ASSETS, END OF YEAR	$ 31,410,535	$ 4,479,578	$ 7,400,000	$ 43,290,113	$ 22,631,759	$ 6,229,495	$ 7,400,000	$ 36,261,254

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, 2019 AND 2018

	Controlling Interest					
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	TOTAL	MINORITY INTEREST	TOTAL
NET ASSETS, JANUARY 1, 2018	$ 18,737,545	$ 3,029,858	$ 7,400,000	$ 29,167,403	$ 1,483,763	$ 30,651,166
CAPITAL CONTRIBUTION	-	-	-	-	347,826	347,826
CHANGE IN NET ASSETS	2,855,760	3,199,637	-	6,055,397	(793,135)	5,262,262
NET ASSETS, DECEMBER 31, 2018	21,593,305	6,229,495	7,400,000	35,222,800	1,038,454	36,261,254
CAPITAL CONTRIBUTION	-	-	-	-	5,534,341	5,534,341
CHANGE IN NET ASSETS	4,535,532	(1,749,917)	-	2,785,615	(1,291,097)	1,494,518
NET ASSETS, DECEMBER 31, 2019	$ 26,128,837	$ 4,479,578	$ 7,400,000	$ 38,008,415	$ 5,281,698	$ 43,290,113

See accompanying notes to financial statements.

INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from organizations and others	$ 12,351,387	$ 12,944,146
Cash paid to suppliers, employees, and others	(10,098,693)	(5,355,099)
Interest paid	(234,231)	(207,734)
Investment income received	386,603	315,628
Net cash, cash equivalents, and restricted cash provided by operating activities	2,405,066	7,696,941
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,104,341	774,156
Purchases of investments	(3,261,061)	(232,774)
Proceeds from disposal of property and equipment	378,509	52,139
Acquisition of property and equipment	(1,380,400)	(791,392)
Payments received from notes receivable	650,107	9,986,952
Investments made in notes receivable	(1,672,922)	-
Net cash, cash equivalents, and restricted cash provided by (used in) investing activities	(4,181,426)	9,789,081
CASH FLOWS FROM FINANCING ACTIVITES		
Net proceeds (repayments) on line of credit	(157,500)	240,000
Principal payments on notes and mortgages payable	(4,724,976)	(14,899,952)
Payment of financing fees	(43,500)	(19,286)
Capital contributions received	5,534,341	347,826
Net cash, cash equivalents, and restricted cash provided by (used in) financing activities	608,365	(14,331,412)
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,167,995)	3,154,610
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	6,026,307	2,871,697
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	$ 4,858,312	$ 6,026,307

	2019	2018
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchase of property and equipment with loan proceeds	$ 2,200,444	$ 2,222,596

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES

	2019	2018
CHANGE IN NET ASSETS	$ 1,494,518	$ 5,262,262
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	1,547,763	1,505,011
Gain on disposal of property and equipment	(159,512)	-
Unrealized gains on investments	(1,077,422)	474,993
Change in investment in subsidiary	57,794	35,484
(Increase) decrease in operating assets		
Grant reimbursements receivable	116,735	(33,021)
United Way receivables	(249,497)	(140,752)
Related party receivables, net	43,271	(65,312)
Other receivables, net	78,768	(103,990)
Prepaid expenses	(79,985)	(10,055)
Increase (decrease) in operating liabilities		
Accounts payable	585,687	773,249
Accrued payroll	24,291	12,619
Related party payables	22,429	-
Other payables and accrued expenses	1,002	(7,927)
Deferred revenue	(776)	(5,620)
Total adjustments	910,548	2,434,679
NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES	$ 2,405,066	$ 7,696,941

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 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 and is a general partner in Brookside Apartments, LP, Jefferson Apartments, LP, Indy East Homes, LP, and as of December 31, 2019, The Union at Thomas Gregg, LP (formerly Moving Forward 2.0, LLC), as noted below.

New Life Manor Apartments, LLC (NLM) was added as a division of the Center in April 1980 to operate housing units. The Project refinanced its mortgage loan in 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 low income 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 .01% general partner in the partnership. BA provides 24 affordable apartments.

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.

Moving Forward 2.0, LLC (MF 2.0) was formed in August 2017 to develop a 30 unit, multi-family apartment building near the Thomas Gregg Neighborhood School. Near East Holding was the .01% general partner and the Center was the 99.99% investor limited partner in the LLC. During June 2019, MF 2.0 was converted to a limited partnership with a name change to The Union at Thomas Gregg, LP (The Union). At that time, the Center exited the partnership and Cinnaire Fund for Housing Limited Partnership 33 became the 99.99% investor limited partner.

IndyEast Homes, LP (IEH) was formed in March 2017 to develop and own a 36 unit scattered site, open occupancy units on certain real estate located in Indianapolis, Marion County, Indiana. Cinnaire Fund for Housing Limited Partnership 32 is the investor limited partner owning 99.99% of IEH, with Near Eastside Holding owning the remaining .01% as the general partner.

During 2019, the Center created Marvin Gardens Construction, LLC (MG) to serve as the general contractor for The Union construction project. MG is a single member LLC of the Center.

Inspire 10th Street, LLC was formed in May 2017 for the purpose of acquiring, owning, constructing, rehabilitating and operating commercial, multifamily affordable rental housing projects and other real estate development projects in Indianapolis. Inspire is owned by the Center (40%), Near East Area Renewal, Inc. (NEAR) (30%) and Englewood Community Development Corporation (ECDC) (30%). The Center serves as the managing member.

PR Mallory, LLC (PRM) was formed in February 2018 to develop properties formerly owned by the City of Indianapolis at the former P.R. Mallory and Company business site on East Washington Street. The project will consist of a multi-tenant mixed-use campus, inclusive of two charter schools and light industrial operations. PRM was jointly owned by the Center (49%) and Englewood Community Development Corp. (51% and managing member), acting as the developers of the project. During 2019, the project successfully closed its financing and ownership changes and new entities resulted. PR Mallory MM, LLC was formed to function as the general partner of PR Mallory, LLC and be responsible for the record keeping of the various entities and is jointly owned by the Center (49%) and Englewood Community Development Corp. (51% and managing member). In addition, PR Mallory Leverage Lender, LLC was formed to borrow and lend funds into each investment fund in the project structure and is jointly owned by the Center (49%) and Englewood Community Development Corp. (51% and managing member). PR Mallory MM, LLC owns 1% each of PR Mallory, LLC, PR Mallory Dino Manager, LLC and PR Mallory MT, LLC.

1. Summary of Significant Accounting Policies, Continued

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, NELC, the Union, IEH, and MG (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 cash equivalents of $2,655,658 and $4,153,877 at December 31, 2019 and 2018, respectively. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2019 and 2018, the Center held cash in excess of FDIC limits by approximately $3.5 million and $4.7 million, respectively.

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, JA, and IEH 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.

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 $8,731 and $6,985 as of December 31, 2019 and 2018, respectively.

1. Summary of Significant Accounting Policies, Continued

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:

	2019	2018
Long-term investments		
Equities	$ 4,488,813	$ 3,744,206
Corporate bonds	4,628,724	4,496,048
Cash held for future investment	258,836	591,261
HealthNet Peoples Health Center, LLC	1,194,863	1,229,642
Inspire 10th Street, LLC	-	18,051
Sawtooth, LLC	490	-
Phillip Rogers, LLC	40,425	-
PR Mallory, LLC, and its related entities	2,643,305	-
	$ 13,255,456	$ 10,079,208

The Organization's cash held for future investment is recorded at cost at December 31, 2019 and 2018.

In 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 Organization's investment, based on the assigned interest, was $1,300,000 at contribution date. This investment is adjusted annually based on the Organization's share of income or loss and recorded based on the equity method. Investments in Inspire 10th Street, LLC, PR Mallory, LLC and its related entities, Sawtooth, LLC and Phillip Rogers, LLC are also equity-method investments. These investments will be adjusted annually based on the Organization's share of income or loss.

Property and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets and a cost, if purchased, or fair value, if donated, over $5,000 or more are capitalized. 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

The Organization maintains the following classifications of net assets:

Net Assets without Donor Restrictions

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. At December 31, 2019 and 2018, the Board has designated net assets of $220,000 and $340,000, respectively, to cover general operating expenses.

Net Assets with Donor Restrictions

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. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions through net assets released from restrictions.

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

	2019	2018
NELC maintenance fund	$ 713,428	$ 713,428
Replacement reserve	293,076	393,244
Sustainability and infrastructure	250,000	332,083
Arts and culture initiatives	2,714,904	4,319,216
Other programs	508,170	471,514
	$ 4,479,578	$ 6,229,485

Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. 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. Net assets restricted in perpetuity were $7,400,000 at December 31, 2019 and 2018. See Note 10.

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 net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions through net assets released from restrictions in the statements of activities.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CONTRIBUTIONS AND PLEDGES , CONTINUED

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions 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 support with donor restrictions. 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.

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 $252,092 and $188,360 in 2019 and 2018, respectively. The majority of these donations related to food and beverage for events, volunteer fitness instructors, and professional services. In 2018, the Organization also reported a cancellation of indebtedness of $3,538,555 related to the unwind of new market tax credit loans with NELC.

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 categories to which the expenses relate. Occupancy expenses are allocated based upon actual utilization of space.

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

	2019			
	Program services	Management and General	Fundraising	Total
Personnel cost	$ 3,237,907	$ 843,758	$ 80,869	$ 4,162,534
Specific assistance	620,951	-	-	620,951
Professional services	1,116,963	184,252	344	1,301,559
Occupancy	1,369,728	66,843	-	1,436,571
Depreciation and amortization	1,361,567	186,196	-	1,547,763
Other operational	1,151,954	106,128	38,486	1,296,568
	$ 8,859,070	$ 1,387,177	$ 119,699	$ 10,365,946

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

EXPENSE ALLOCATION, CONTINUED

	2018			
	Program services	Management and General	Fundraising	Total
Personnel cost	$ 3,265,816	$ 745,698	$ 79,663	$ 4,091,177
Specific assistance	653,381	-	-	653,381
Professional services	623,496	103,329	-	726,825
Occupancy	1,399,284	88,258	594	1,488,136
Depreciation and amortization	1,313,341	191,670	-	1,505,011
Other operational	638,307	160,307	47,550	846,164
	$ 7,893,625	$ 1,289,262	$ 127,807	$ 9,310,694

SUBSEQUENT EVENTS

Subsequent events have been considered through June 30, 2020, which was the date the financial statements were available to be issued. See Note 16.

NEW ACCOUNTING PRONOUNCEMENT

The Organization has adopted FASB Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as of January 1, 2019. The ASU provided clarified guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization applied the update on a modified prospective basis to agreements that were either not completed as of the effective date or entered into as of the effective date. The application of the update had no impact on net assets as of January 1, 2019.

The Organization has adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) as of and for the year ended December 31, 2019. The ASU and all subsequently issued clarifying ASU's replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The update provides companies with a single revenue recognition model for recognizing revenue with customers; specifically requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The Organization has adopted ASU 2014-09 on the modified retrospective basis. The provisions of Topic 606 were adopted for the year ended December 31, 2019 and had no impact on net assets as of January 1, 2019.

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.

NLM, 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, JA, IEH, and The Union are partnerships. In lieu of corporation income taxes, the partners report their proportionate share of the partnerships' income

NELC and MG are LLCs. In lieu of corporation incomes taxes, the LLC members report their proportionate share of the LLC's income.

3. Available Resources and Liquidity

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash in excess of daily requirements in short-term investments. A significant portion of the Organization's restricted funding is related to development, housing, and the real estate activities of the Organization. In those cases, liquidity is managed utilizing various sources of capital to meet the financial needs of restricted activities. This includes utilization of short-term predevelopment and construction loans provided by third parties and could include utilization of the Organization's self-managed IndyEast Economic Loan fund valued at $1,000,000. To help manage unanticipated liquidity needs; the Organization has a committed line of credit in the amount of $1,300,000 which it can draw upon.

The Organization receives significant funding with donor restrictions to be used in accordance with the associated purpose restrictions. The Organization has an endowment fund with a value of $8,496,981 and $7,419,559 as of December 31, 2019 and 2018, respectively, with perpetual restrictions on the corpus. Although the Organization does not intend to spend from the principal of the endowment fund, earnings from the endowment fund could be made available for general and/or designated expenditures as part of its annual budget approval and appropriation process. However, should the baseline value of the endowment be equal to or less than $7.4 million, the maximum allocable basis shall be 2% of the endowment.

3. AVAILABLE RESOURCES AND LIQUIDITY, CONTINUED

The table below presents financial assets available for general expenditures within one year at December 31:

	2019	2018
Financial assets at year-end		
Cash	$ 4,218,268	$ 5,324,371
Cash – restricted	640,044	701,936
Grant reimbursements receivable	474,714	591,449
United Way receivables	592,953	343,456
Related party receivables	57,296	109,012
Notes receivables, net	2,159,433	1,205,758
Other receivables, net	125,751	204,519
Investments	13,255,456	10,079,208
Total financial assets available	$ 21,523,915	$ 18,559,709
Financial assets not available		
Investments in subsidiaries	(3,879,083)	(1,247,693)
Long-term notes receivable	-	(405,651)
Board designated net assets	(220,000)	(340,000)
Cash – restricted	(640,044)	(701,936)
Net assets with donor imposed restrictions – time and purpose	(4,479,578)	(6,229,495)
Net assets with donor imposed restrictions – in perpetuity	(7,400,000)	(7,400,000)
Total financial assets not available for use	(16,618,705)	(16,324,775)
Financial assets available to meet general expenditures within one year	$ 4,905,210	$ 2,234,934

4. CASH - RESTRICTED

NLM, BP, Byrne, BA, JA and IEH 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 $609,269 and $677,901 at December 31, 2019 and 2018, respectively.

4. 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 $27,739 and $21,000 at December 31, 2019 and 2018, respectively.

The Center has cash restricted for the Assets for Independence program of $3,036 and $3,035 at December 31, 2019 and 2018, respectively.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Center has adopted Accounting for Fair Value Measurements, which defines fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. These standards also establish a three-level fair value hierarchy for disclosure that prioritizes valuations based on whether the significant inputs used to estimate fair value are observable, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to valuations primarily based on unobservable inputs (level 3 measurements).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Assets measured at fair value on a recurring basis at December 31, are as follows:

	2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	$ 4,488,813	$ 4,488,813	$ -	$ -
Corporate bonds	4,628,724	4,628,724	-	-
Total investments	$ 9,117,537	$ 9,117,537	$ -	$ -

5. Fair Value of Financial Instruments, Continued

	2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	$ 3,744,206	$ 3,744,206	$ -	$ -
Corporate bonds	4,496,048	4,496,048	-	-
Total investments	$ 8,240,254	$ 8,240,254	$ -	$ -

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Investments are recorded at fair value in the consolidated statements of financial position. Unrealized gains and losses represent the change in fair value of investments during the period and are recorded in the statement of activities. The cost of corporate bonds and equities and was $8,089,841 and $8,390,090 at December 31, 2019 and 2018, respectively.

6. Notes Receivable

a. In April 2018, the Center entered into a loan agreement with NEAR for the revitalization of homes on the Near Eastside of Indianapolis. The loan funds will be advanced as needed to NEAR up to $800,000, at annual interest rate of 3.75%, compounded monthly. The loan originally matured in April 16, 2019; however, was extended to June 30, 2020. The balance of the loan is $150,000 and $300,000 at December 31, 2019 and 2018, respectively.

b. During 2016, the Center entered three loan agreements for $80,000, $28,000 and $45,200, respectively, with ECDC for the purchase of three houses and a commercial building in furtherance of community development initiatives. These loans accrued interest at an annual interest rate of 3.75%, compounded monthly. Interest payments were due in quarterly installments for the $80,000 and $45,200 loans, respectively, and due in monthly installments for the $28,000 loan. The entire loan principal and interest of the $45,200 loan was paid in 2018.

   The final principal balance was due upon the maturity date of each note receivable. The loan agreements for the two remaining loans matured in June 2019 and were paid. The combined loan balance was $0 and $68,000 as of December 31, 2019 and 2018.

c. In March 2018, the Center entered into a loan agreement with ECDC for $170,000 for the renovation of three houses in furtherance of community development in the Near Eastside of Indianapolis. The loan accrued interest at an annual interest rate of 3.75%, compounded monthly. The loan agreement was extended and matured at June 30, 2019. The loan balance was $0 and $70,000 at December 31, 2019 and 2018.

6. Notes Receivable, Continued

d. In December 2017, the Center entered into a loan agreement with Inspire. The loan funds, including interest, advanced on an as needed basis to Inspire up to $400,000 at an annual interest rate of 1%. In 2019, the Center extended another $100,000 to Inspire under this same loan. The balance was $472,254 and $400,000 as of December 31, 2019 and 2018, respectively. The balance is due in full December 31, 2020.

e. In December 2019, the Center entered into a loan agreement with Inspire. The loan funds totaled $565,858, bearing interest at a rate of 3.5% annually. The balance was $565,858 as of December 31, 2019. The balance is due in full June 30, 2020.

f. In December 2019, the Center entered into a loan agreement with Inspire. The loan funds, including interest, advanced on an as needed basis to Inspire up to $1,000,000 for structural improvement costs at an annual interest rate of 1%. The balance was $971,321 as of December 31, 2019. The balance is due in full December 31, 2020.

g. In April 2018, the Center entered into a loan agreement with Blue-Mozingo, LP to renovate multi-family housing on the Near Eastside of Indianapolis. The loan of $262,107 will accrue interest at an annual rate of 3.75%, compounded monthly. The loan balance of $262,107 at December 31, 2018 was paid in full in April 2019.

h. During 2018, the Center loaned PRM $100,000 at an annual interest rate of 5.00%. The note was paid in full in August 31, 2019.

Future minimum receipts of the notes receivable are as follows for the years ending December 31:

2020	$ 2,159,433

7. Property and Equipment

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

	2019	2018
Buildings	$ 33,295,846	$ 31,298,452
Leasehold improvements	223,705	228,005
Furnishings and office equipment	5,300,643	4,658,453
Autos and trucks	230,633	124,563
	39,050,827	36,309,473
Accumulated depreciation	(15,433,352)	(14,036,509)
	23,617,475	22,272,964
Land and land improvements	3,234,373	3,160,221
Real estate held for sale	36,965	4,500
Construction in progress	2,460,687	1,413,416
	$ 29,349,500	$ 26,851,101

7. Property and Equipment, Continued

At December 31, 2019 and 2018, interest of $3,790 and $37,024, respectively, was capitalized as a part of property and equipment when constructed using loan proceeds. Construction in process relates to The Union 30 unit multi-family apartment building, which is being funded via construction loans (see Note 9).

8. Line of Credit

The Center has a revolving line of credit with a bank for $1,300,000, which expires in October 2020. Interest payable on the line of credit is calculated monthly at the 1-month ICE Benchmark Administration LIBOR rate plus 2.65% (4.18% and 5.11% December 31, 2019 and 2018, respectively). The amount outstanding on the line was $342,500 and $500,000 at December 31, 2019 and December 31, 2018, respectively. Borrowings under this agreement are collateralized by the Center's assets.

9. Notes and Mortgages Payable

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

	2019	2018
a. The Center has a promissory note with State Farm Mutual Insurance Company to support housing redevelopment in the neighborhood. The unpaid principal of the note bears an interest rate of 3.50%. The note matures June 30, 2020. The maximum principal amount available to borrow from will be reduced to $3,000,000 on July 1, 2019 and $2,500,000 on January 1, 2020, respectively.	$ 964,500	$ 2,289,257
b. NLM has a mortgage that is payable in monthly installments of $5,808 including principal and interest of 2.9% through November 2051. The mortgage includes a prepayment premium through November 2051. The mortgage also requires monthly deposits to a reserve and replacement fund.	1,449,930	1,477,154
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.	239,293	249,489
d. Byrne has a mortgage loan under the provisions of Section 202 of the National Housing Act. The mortgage is payable in monthly installments of $7,368 including principal and interest of 3.08%, through September 2026. The mortgage also requires monthly deposits to a reserve and replacement fund.	1,473,879	1,516,196

9. NOTES AND MORTGAGES PAYABLE, CONTINUED

e. The Center also obtained a loan to purchase a vehicle in the amount of $42,961 payable in monthly installments of $902 and which bears interest at 9.94% per month through June 2024.	39,098	-
f. The Union obtained a construction loan in the amount of $500,000 which bears interest at 3% per annum and will be due in the 12th month after the lender issues a notice of conversion which could take place no later than 24 months after the issuance of the loan.	500,000	-
g. The Union obtained a loan in the maximum amount of $5,200,000 which bears an interest rate at 265 basis points over 30 day LIBOR. The loan will become due April 1, 2022.	282,499	-
h. IEH obtained a loan in the maximum amount of $330,000 which bears interest at 5.5% per annum and will be due in November 2034.	330,000	273,002
i. IEH also obtained a construction loan with a financial institution in the maximum amount of $3,900,000. The interest rate was 6.0%. All principal and related accrued interest was paid in July 2019.	-	1,779,594
j. IEH has a construction loan that converted in November 2019. The loan bears interest at 3% per annum and is due November 2034.	203,275	-
	5,482,474	7,584,692
Less: current maturities	(1,064,749)	(1,859,331)
Less: unamortized financing fees	(167,996)	(139,312)
	$ 4,249,729	$ 5,586,049

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

2020	$ 1,064,749
2021	109,028
2022	113,572
2023	118,359
2024	297,027
Thereafter	3,779,739
	$ 5,482,474

Financing fees expended in accordance with promissory notes are recorded at cost and amortized over the lives of the promissory notes.

10. Net Assets With Donor Restrictions – Perpetual Endowment Funds

The Organization's endowment consists of funds held in perpetuity 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 perpetual endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies as net assets held in perpetuity (a) the original value of gifts donated to the perpetual endowment funds, (b) the original value of subsequent gifts to the perpetual endowment funds, and (c) accumulation to the perpetual 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 perpetual endowment fund.

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

1) The duration and preservation of the perpetual endowment fund
2) The purposes of the Organization and the perpetual 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 the perpetual endowment fund that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the perpetual endowment fund assets. Under this policy, the perpetual endowment fund 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 perpetual endowment fund investments to meet or exceed these benchmarks over time. Actual returns in any given year may vary from these benchmarks.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's spending policy provides for up to 5% of the fund value to be available for spending annually. However, the Organization will not allow the perpetual endowment fund to drop below the Historic Dollar Value of the original permanent gift. Any perpetual endowment fund deficiencies will be made whole before any further spending can occur in accordance with the Organization's spending policy. To the extent that there are gains above the original value of the fund dollar amount and timing of any distribution of funds will be at the discretion of the Board of Directors and management.

10. Net Assets With Donor Restrictions – Perpetual Endowment Funds, Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy, Continued

Funds withdrawn from the perpetual endowment fund shall be for purposes set forth by the Board of Directors and shall consider the following factors: (a) opportunities to use funds to leverage other funding, private or public, in support of the Organization's activities; (b) investments in technology, capital, human resources or other expenditures which support the Organization's activities; (c) to support sufficient management capacity, personnel and infrastructure needed for the effective operations and long term growth of the Center; (d) covering short-term deficits in direct service programs, as long as funds expended are serving as a temporary source of funding and an acceptable plan is in place to bridge to other resources or funding source; and '(e) investments in community development efforts and partners organizations that support long term goals of the Center and the neighborhood.

Expenditures of Funds:

All decisions relative to the expenditure of institutional funds must assess the uses, benefits, purposes and duration for which the fund was established, and if relevant, consider the factors:

1) The duration and preservation of the institutional fund;
2) Purposes of the Center and the fund;
3) General economic conditions;
4) Possible effect of inflation or deflation;
5) Expected total return from income and appreciation of investments;
6) Other organizational resources;
7) All applicable investment policies; and
8) Where appropriate, alternatives to spending from the institutional fund and the possible effects of those alternatives

For each decision to appropriate institutional funds for expenditure, an appropriate contemporaneous record should be kept and maintained describing the nature and extent of the consideration that the appropriate body gave to each of the stipulated factors.

The change in endowment net assets is as follows for the years ended December 31:

2019	Without Donor Restrictions	With Donor Restrictions – Held in Perpetuity	Total
Perpetual Endowment net assets, beginning of year	$ 19,559	$ 7,400,000	$ 7,419,559
Contributions	-	-	-
Investments gains, net	1,077,422	-	1,077,422
Endowment net assets, end of year	$ 1,096,981	$ 7,400,000	$ 8,496,981

10. Net Assets With Donor Restrictions – Perpetual Endowment Funds, Continued

2018	Without Donor Restrictions	With Donor Restrictions – Held in Perpetuity	Total
Perpetual Endowment net assets, beginning of year	$ 494,552	$ 7,400,000	$ 7,894,552
Contributions	-	-	-
Investments losses, net	(474,993)	-	(474,993)
Endowment net assets, end of year	$ 19,559	$ 7,400,000	$ 7,419,559

11. Related Party Transactions

At December 31, 2019 and 2018, the Center had accounts receivable due from NEAR of $5,102 and $8,535, respectively. NEAR is a partner agency on various Near Eastside of Indianapolis building projects. See also Note 6 for notes receivable information.

During fiscal year 2019, the CEO of the Center was a board member of the Near Eastside Innovation School Corporation. The Center had $48,163 and $93,707 receivable from this organization at December 31, 2019 and 2018, respectively.

At December 31, 2019, the Center had a $4,031 receivable due from organizations of which the Center owns 49%. At December 31, 2018, the Center had a $2,400, $2,455, and $1,915 receivable due from organizations of which the Center owns 23%, 40%, and 49%, respectively. At December 31, 2019, the Center had a $19,729 payable due to an organization of which the Center owns 49%.

On May 15th, 2019 the Center entered into a consulting agreement with Milestone Ventures, LLC for the development of The Union Project. During 2019 $30,000 in fees were earned and $13,955 remains payable as of December 31, 2019.

BMO Harris Bank is entitled to receive an asset management fee from JA, per the partnership agreement, in the amount of $2,500 per year. The cumulative fee is payable out of available cash flow, as defined in the partnership agreement. Fees of $2,500 were earned and paid in the years ended 2019 and 2018. 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. The noncumulative fee is payable out of available cash flow, as defined in the partnership agreement. A fee of $1,500 was earned and accrued in the years ended 2019 and 2018, respectively, and is included in accounts payable – related parties.

IEH entered into a construction contract with TWG Construction, LLC (the "Contractor"), the owner of which is on the Board of Directors of the Center. The original amount of the contract is for $3,948,188, which increased by change orders of $342,376 to $4,290,564. At December 31, 2019 and 2018, $4,290,564 and $2,987,143 has been earned, capitalized into property and equipment, and $4,290,564 and $2,572,576 was paid, respectively.

11. Related Party Transactions, Continued

IEH pays an annual investor services fee to its Investor Limited Partner in an amount not to exceed $2,700. During 2019, a fee of $2,700 was earned and remains payable at December 31, 2019.

12. Contingencies and Commitment

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 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 2019 or 2018.

Near Eastside Holding, as the general partner of IEH, agrees that if at any time prior to the expiration of fifteen years from and after the date IEH achieves Underwritten Operation Operating Deficits are not fully paid from the Partnership Operating Reserve, Near Eastside Holding shall loan to IEH the funds required to pay such Operating Deficits, provided, however, that such obligation to fund Operating Deficits not exceed, in the aggregate, the sum of $128,000, provided that the Operating Reserve was fully funded from the Investor Limited Partners' Fourth Capital Contribution. Any operating deficits occurring between the date of Underwritten Operations and final funding of the Operating Reserve which have not been paid from the Operating Reserve will be funded by the Near Eastside Holding and will be reimbursed upon final funding of the Operating Reserve. Any payment made pursuant to the Operating Deficit Guarantee will be considered operating deficit loans and will bear interest at the Prime Rate. The Operating Deficit Guaranty will be released 5 years from the date IEH achieves Underwritten Operations and 92% Qualified Occupancy, as defined in the Amended and Restated Partnership Agreement.

In accordance with the Partnership Agreement, Near Eastside Holding as the General Partner and the Center, collectively the guarantors, shall be responsible for achieving completion of construction of IEH properties on a timely basis substantially in accordance with plans and specifications in accordance with all applicable terms, conditions, and provisions of the loan agreements on or before the construction completion date. The Guarantors are obligated to fund all excess development costs, as defined, and the Partnership shall have no obligation to repay any excess development costs. The Guarantors are also required to fund all operating deficits under the completion guaranty until Underwritten Operations, as defined in the Partnership Agreement, is achieved.

IEH has also qualified for low income housing tax credits pursuant to IRC Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent, among other requirements. The property must meet the provision of these regulations during each of the 15 consecutive years in order to continue to qualify to receive the tax credits. In addition, IEH has executed a Land Use Restriction Agreement which requires the utilization of the property pursuant to IRC Section 42 for a minimum of 30 years (unless IEH is able to elect out after 15 years), even if IEH disposes of the property. Failure to comply with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period, could result in monetary penalties.

In addition, IEH's failure to maintain compliance with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest.

12. Contingencies and Commitment, Continued

MG has committed to a construction contract in connection with The Union 30 unit multi-family apartment housing of approximately $5.2 million. As of December 31, 2019, approximately $1.7 million had been incurred under the contract. The construction is being funded via The Union's construction loan. See Note 9.

13. Operating Leases

The Center leased office equipment under various operating leases that expire annually. Lease expense for these items was $610 and $4,240 in 2019 and 2018, respectively.

The Organization leases space to several organizations under operating leases that have various expiration dates through 2021. Lease income for the years ended December 31, 2019 and 2018 was $54,515 and $35,656, respectively.

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

2020	$ 19,328
2021	9,845
	$ 29,173

14. 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
School Age Child Care Grant	Indiana Family and Social Services Administration	N/A	$29,684	$29,684	State or local government
Housing Counseling Assistance Program	Indiana Housing & Community Development Authority	14.169	$26,190	$26,190	Federal grant passed through state or local government
Community Development Block Grants/Entitlement Grants - Children & Youth Summer Camp	City of Indianapolis – Department of Metropolitan Development	14.218	$18,750	$18,750	Federal grant passed through state or local government
Section 4 Capacity Building for Community Development and Affordable Housing	Local Initiative Support Corporation	14.252	$30,000	$30,000	Federal grant passed through state or local government

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

Housing Stability for School Success - Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	The Indianapolis Housing Authority	14.856	$586,384	$586,384	Federal grant passed through state or local government
Innovation in Community-Based Crime Reduction	U.S. Department of Justice	16.817	$64,953	$64,953	Federal grant
Reentry Employment Opportunities	Local Initiative Support Corporation	17.270	$137,355	$137,355	Federal grant passed through state or local government
Enhanced Mobility of Seniors & Individuals with Disabilities	Indianapolis Public Transportation Corporation	20.513	$44,000	$44,000	Federal grant passed through state or local government
Volunteer Income Tax Assistance Grant Program	United Way of Central Indiana, Inc.	21.009	$44,522	$44,522	Federal grant passed through state or local government
Promotion of the Humanities Federal/State Partnership	National Endowment for the Humanities	45.129	$2,500	$2,500	Federal grant passed through state or local government
Innovative Approaches to Literacy, Full-Service Community Schools; and Promise Neighborhoods	U.S. Department of Education	84.215J	$12,316	$12,316	Federal grant
21st Century Community Learning Centers	Indiana Department of Education	84.287	$625,695	$625,695	Federal grant passed through state or local government
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	Central Indiana Council on Aging	93.043	$3,697	$3,697	Federal grant passed through state or local government
Maternal Health Federal Consolidated Program	Indiana State Department of Health	93.110	$109,482	$109,482	Federal grant passed through state or local government
Low-Income Home Energy Assistance Program	United Way of Central Indiana, Inc.	93.568	$599,851	$599,851	Federal grant passed through state or local government

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

Assets for Independence	Indiana Housing & Community Development Authority	93.602	$16,929	$16,929	Federal grant passed through state or local government
AmeriCorps	Serve Indiana, Indiana Department of Workforce Development	94.006	$105,770	$105,770	Federal grant passed through state or local government
Great Families 2020	United Way of Central Indiana	94.019	$300,000	$300,000	Federal grant passed through state or local government
LISC National	Local Initiative Support Corporation	94.019	$46,213	$46,213	Federal grant passed through state or local government
Emergency Food and Shelter National Board Program	United Way Federal Emergency Management Agency	97.024	$795	$795	Federal grant passed through state or local government
Total funding			$2,805,086	$2,805,086	

15. Reclassifications

Certain items in the 2018 financial statements have been retroactively reclassified to conform to the 2019 presentation. These reclassifications had no effect on net assets at December 31, 2018.

16. Subsequent Events

The COVID-19 outbreak in the United States has caused business disruption through mandated social distancing. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of mandated social distancing. Therefore, the Organization expects this matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

On March 13, the President declared a national health emergency, and shortly thereafter, actions were taken at the federal, State and local levels which had significant effects on the Center and operations. These include:

1. Transitioning staff to work remotely and incurring additional costs associated with virtual services, communications systems, equipment, PPE and other measures to safeguard the health and wellbeing of staff and those we serve.

16. Subsequent Events, Continued

2. Given the economic impact on fundraising, program fees, added expenses, increased demand and uncertainty, the Center applied for a Payroll Protection Plan loan in the amount of $783,000 through BMO to the U.S. Small Business Administration. This loan was approved on April 15. The loan has a term of 2 years and an interest rate of 1%. To the extent that the funds are used for qualifying expenses under the program, the Center may apply for loan forgiveness.
3. United Way of Central Indiana, along with numerous funders, most notably Lilly Endowment, Inc. created the COIVD-19 Community Economic Relief Fund (C-CERF). The Center received two grants from this fund totally $350,000 for operating support, community response efforts and direct financial assistance for those impacted economically.
4. On June 8th, 2020, the City-County Council approved $15,000,000 for direct rental assistance and the City of Indianapolis intends to contract with the Center to receive this amount and distribute to various community centers and the Indianapolis Urban League (IUL) as part of the Indianapolis Community Response Network established by the Center. The Center will be responsible for program administration, quality review and the client files/website for this Network.
5. To support the Center in the delivery of the rental assistance and other COVID-19 related efforts, Lilly Endowment Inc. has approved an award for general operating support in the amount of $1,589,900 which will be dispersed in June 2020.
6. The City of Indianapolis will grant $5M to the Center. $1.5 M to pay the community centers, including the Center, and IUL for each completed application (fixed-unit cost) and for the Center to cover the cost of technology, quality assurance, program administration and related costs associated with administering the City's Rental Assistance program. The remaining $3.5 million will be available to pay additional rental assistance or for operating costs of potential future rounds of rental assistance, should the City allocate more resources to this program.

The promissory note with State Farm Mutual Insurance Company matures on June 30, 2020. The Center paid in full the principal balance of the note prior to the maturity date.

Supplementary Information

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	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	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	ELIMINATIONS	TOTAL
CURRENT ASSETS														
Cash and cash equivalents	$ 3,600,753	$ 1,923	$ 9,970	$ -	$ 38,675	$ 1,268	$ 4,803	$ 1,480	$ 1,165	$ 3,835	$ 6,771	$ 547,625	$ -	$ 4,218,268
Cash - restricted	30,775	180,520	71,979	-	58,560	-	103,351	111,059	-	-	83,800	-	-	640,044
Grant reimbursements receivable	474,714	-	-	-	-	-	-	-	-	-	-	-	-	474,714
United Way receivables	592,953	-	-	-	-	-	-	-	-	-	-	-	-	592,953
Related party receivables, net	6,062,809	-	943,129	-	-	50,210	41,463	-	3,439,288	10,100	30,985	423,013	(10,943,701)	57,296
Notes receivable, current portion	2,259,433	-	-	-	-	-	-	-	-	-	-	-	(100,000)	2,159,433
Other receivables, net	5,515	891	34,410	-	3,881	9,516	11,170	11,978	-	-	48,390	-	-	125,751
Prepaid expenses	53,563	7,414	7,845	104	65,401	11,080	2,544	5,347	2,957	51,250	7,536	10,757	-	225,798
Lease inducement fees, net	-	-	-	-	-	-	-	-	750,000	-	-	-	(750,000)	-
Investment in subsidiaries	2,526,570	-	-	-	-	-	-	-	-	-	-	-	(2,526,570)	-
Total current assets	15,607,085	190,748	1,067,333	104	166,517	72,074	163,331	129,864	4,193,410	65,185	177,482	981,395	(14,320,271)	8,494,257
LONG TERM INVESTMENTS	13,255,456	-	-	-	-	-	-	-	-	-	-	-	-	13,255,456
NOTES RECEIVABLE, NET OF CURRENT PORTION	18,811,901	-	-	-	-	-	-	-	-	-	-	-	(18,811,901)	-
PROPERTY AND EQUIPMENT, NET	531,876	499,773	2,021,081	242,690	879,731	3,932,384	2,587,455	3,353,577	8,573,772	2,742,664	6,428,031	-	(2,443,534)	29,349,500
Total assets	$ 48,206,318	$ 690,521	$ 3,088,414	$ 242,794	$ 1,046,248	$ 4,004,458	$ 2,750,786	$ 3,483,441	$ 12,767,182	$ 2,807,849	$ 6,605,513	$ 981,395	$ (35,575,706)	$ 51,099,213
CURRENT LIABILITIES														
Accounts payable	$ 237,774	$ 10,458	$ 54,262	$ -	$ 10,035	$ 20,403	$ 20,354	$ 38,078	$ 5,976	$ 92,186	$ 81,924	$ 849,111	$ -	$ 1,420,561
Accrued payroll	151,450	-	-	-	-	-	-	-	-	-	-	-	-	151,450
Related party payables	2,911,489	75,275	30,347	70,398	545,669	1,868,451	309,627	866,824	282,229	462,283	179,223	-	(7,577,886)	23,929
Other payables and accrued expenses	2,565,404	14,587	6,359	-	16,235	-	445,575	2,352,184	17,837	1,120	207,856	-	(5,102,925)	524,232
Deferred revenue	777,577	2,825	-	-	-	-	1,200	282	-	-	66	-	(750,000)	31,950
Line of credit	342,500	-	-	-	-	-	-	-	-	-	-	-	-	342,500
Current maturities of notes and mortgages payable	971,823	28,024	-	-	42,973	-	10,758	-	-	-	111,171	-	(100,000)	1,064,749
Total current liabilities	7,958,017	131,169	90,968	70,398	614,912	1,888,854	787,514	3,257,368	306,042	555,589	580,240	849,111	(13,530,811)	3,559,371
LONG-TERM LIABILITIES														
Notes and mortgages payable, net of current portion and financing fees of $167,996	31,775	1,355,273	-	-	1,382,018	-	882,800	1,290,753	13,858,875	1,238,999	1,352,104	-	(17,142,868)	4,249,729
Total liabilities	7,989,792	1,486,442	90,968	70,398	1,996,930	1,888,854	1,670,314	4,548,121	14,164,917	1,794,588	1,932,344	849,111	(30,673,679)	7,809,100
NET ASSETS (ACCUMULATED DEFICIT)														
Without donor restrictions - controlling interest	28,636,279	(914,495)	2,919,722	172,396	(1,053,715)	2,115,604	319,613	(298)	(1,397,735)	10,082	91,127	132,284	(4,902,027)	26,128,837
Minority interest in net assets without donor restrictions	-	-	-	-	-	-	760,859	(1,064,382)	-	1,003,179	4,582,042	-	-	5,281,698
Total net assets (accumulated deficit) without donor restrictions	28,636,279	(914,495)	2,919,722	172,396	(1,053,715)	2,115,604	1,080,472	(1,064,680)	(1,397,735)	1,013,261	4,673,169	132,284	(4,902,027)	31,410,535
With donor restrictions - time and purpose	4,180,247	118,574	77,724	-	103,033	-	-	-	-	-	-	-	-	4,479,578
With donor restrictions - in perpetuity	7,400,000	-	-	-	-	-	-	-	-	-	-	-	-	7,400,000
Total net assets (accumulated deficit)	40,216,526	(795,921)	2,997,446	172,396	(950,682)	2,115,604	1,080,472	(1,064,680)	(1,397,735)	1,013,261	4,673,169	132,284	(4,902,027)	43,290,113
Total liabilities and net assets (accumulated deficit)	$ 48,206,318	$ 690,521	$ 3,088,414	$ 242,794	$ 1,046,248	$ 4,004,458	$ 2,750,786	$ 3,483,441	$ 12,767,182	$ 2,807,849	$ 6,605,513	$ 981,395	$ (35,575,706)	$ 51,099,213

	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	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	ELIMINATIONS	TOTAL
CURRENT ASSETS													
Cash and cash equivalents	$ 5,176,623	$ 17,935	$ 47,585	$ -	$ 44,389	$ 1,679	$ 644	$ 1,993	$ 24,197	$ 8,200	$ 1,126	$ -	$ 5,324,371
Cash - restricted	24,035	278,007	103,563	-	35,765	-	96,180	136,095	-	-	28,291	-	701,936
Grant reimbursements receivable	591,449	-	-	-	-	-	-	-	-	-	-	-	591,449
United Way receivables	343,456	-	-	-	-	-	-	-	-	-	-	-	343,456
Related party receivables, net	4,989,719	-	498,461	-	35	34,421	37,926	-	2,947,859	-	66,469	(8,465,878)	109,012
Notes receivable, current portion	1,703,857	-	-	-	-	-	-	-	-	-	-	(903,750)	800,107
Other receivables, net	9,210	56,717	45,899	-	2,829	-	5,518	21,059	-	-	63,287	-	204,519
Prepaid expenses	33,168	7,633	7,340	-	16,722	12,560	2,461	5,430	3,647	51,252	5,600	-	145,813
Lease inducement fees, net	-	-	-	-	-	-	-	-	781,250	-	-	(781,250)	-
Investment in subsidiaries	2,935,758	-	-	-	-	-	-	-	-	-	-	(2,935,758)	-
Total current assets	15,807,275	360,292	702,848	-	99,740	48,660	142,729	164,577	3,756,953	59,452	164,773	(13,086,636)	8,220,663
INVESTMENTS	10,079,208	-	-	-	-	-	-	-	-	-	-	-	10,079,208
NOTES RECEIVABLE, NET OF CURRENT PORTION	19,085,444	-	-	-	-	-	-	-	-	-	-	(18,679,793)	405,651
PROPERTY AND EQUIPMENT, NET	564,144	533,346	2,301,818	242,690	945,411	4,217,881	2,684,058	3,466,631	8,899,019	329,995	5,109,642	(2,443,534)	26,851,101
Total assets	$ 45,536,071	$ 893,638	$ 3,004,666	$ 242,690	$ 1,045,151	$ 4,266,541	$ 2,826,787	$ 3,631,208	$ 12,655,972	$ 389,447	$ 5,274,415	$ (34,209,963)	$ 45,556,623
CURRENT LIABILITIES													
Accounts payable	$ 140,431	$ 17,945	$ 24,264	$ -	$ 10,188	$ 13,390	$ 6,201	$ 3,934	$ 7,711	$ -	$ 441,310	$ -	$ 665,374
Accrued payroll	127,159	-	-	-	-	-	-	-	-	-	-	-	127,159
Related party payables	1,708,784	11,919	-	66,146	470,783	1,728,259	274,073	825,944	120,138	43,310	19,123	(5,266,979)	1,500
Other payables and accrued expenses	2,573,551	14,605	11,986	-	15,783	-	408,547	2,006,298	20	75	227,604	(4,735,239)	523,230
Deferred revenue	808,607	1,487	-	-	-	-	2,350	422	-	-	1,110	(781,250)	32,726
Line of credit	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
Current maturities of notes and mortgages payable	-	27,224	-	-	42,317	-	10,196	-	-	-	2,679,594	(900,000)	1,859,331
Total current liabilities	5,858,532	73,180	36,250	66,146	539,071	1,741,649	701,367	2,836,598	127,869	43,385	3,368,741	(11,683,468)	3,709,320
LONG-TERM LIABILITIES													
Notes and mortgages payable, net of current portion and financing fees of $139,312	2,289,257	1,524,209	-	-	1,422,895	-	891,701	1,290,753	13,858,875	365,651	1,194,227	(17,251,519)	5,586,049
Total liabilities	8,147,789	1,597,389	36,250	66,146	1,961,966	1,741,649	1,593,068	4,127,351	13,986,744	409,036	4,562,968	(28,934,987)	9,295,369
NET ASSETS (ACCUMULATED DEFICIT)													
Without donor restrictions - Controlling interest	24,156,741	(919,769)	2,858,588	176,544	(988,923)	2,524,892	319,628	(241)	(1,330,772)	(19,589)	91,182	(5,274,976)	21,593,305
Minority interest in net assets without donor restrictions	-	-	-	-	-	-	914,091	(495,902)	-	-	620,265	-	1,038,454
Total net assets (accumulated deficit) without donor restrictions	24,156,741	(919,769)	2,858,588	176,544	(988,923)	2,524,892	1,233,719	(496,143)	(1,330,772)	(19,589)	711,447	(5,274,976)	22,631,759
With donor restrictions - time and purpose	5,831,541	216,018	109,828	-	72,108	-	-	-	-	-	-	-	6,229,495
With donor restrictions - in perpetuity	7,400,000	-	-	-	-	-	-	-	-	-	-	-	7,400,000
Total net assets (accumulated deficit)	37,388,282	(703,751)	2,968,416	176,544	(916,815)	2,524,892	1,233,719	(496,143)	(1,330,772)	(19,589)	711,447	(5,274,976)	36,261,254
Total liabilities and net assets (accumulated deficit)	$ 45,536,071	$ 893,638	$ 3,004,666	$ 242,690	$ 1,045,151	$ 4,266,541	$ 2,826,787	$ 3,631,208	$ 12,655,972	$ 389,447	$ 5,274,415	$ (34,209,963)	$ 45,556,623

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	SOCIAL SERVICES	SOCIAL SERVICES	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	ELIMINATIONS	TOTAL
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT																			
Direct Public Support																			
Contributions	$ 46,670	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 46,670
Special events, net of $21,811 expense	20,518	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,518
Total direct public support	67,188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,188
Indirect Public Support																			
United Way																			
Support funds	704,718	-	-	-	-	-	-	-	-	-	32,039	-	-	-	-	-	-	(32,039)	704,718
Donor option	11,893	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,893
Grants and awards	2,788,621	542,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,331,371
Total indirect public support	3,505,232	542,750	-	-	-	-	-	-	-	-	32,039	-	-	-	-	-	-	(32,039)	4,047,982
Fees and Grants from Government and Other Agencies	4,377,678	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(767,694)	3,609,984
Other Revenue																			
Program service fees, net of membership discounts	235,348	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,318)	233,030
Rent income and other charges	6,506	-	-	383,691	34,228	357,413	4,157	-	312,116	77,357	219,464	203,120	98,081	564,225	-	292,808	-	(789,569)	1,763,597
Investment income	2,005,491	-	-	824	-	-	-	-	334	-	-	-	-	-	-	-	-	(542,624)	1,464,025
Change in investment in subsidiaries	(467,082)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	409,288	(57,794)
Other revenue	423,529	-	-	1,865	-	1,186	-	-	131	-	129	1,396	2,352	73	27	-	132,589	(82,917)	480,360
In-kind	251,219	-	-	-	-	-	-	-	-	-	873	-	-	-	-	-	-	-	252,092
Total other revenue	2,455,011	-	-	386,380	34,228	358,599	4,157	-	312,581	77,357	220,466	204,516	100,433	564,298	27	292,808	132,589	(1,008,140)	4,135,310
Net Assets Released from Restrictions	2,194,044	(2,194,044)	-	131,672	(131,672)	36,261	(36,261)	-	46,432	(46,432)	-	-	-	-	-	-	-	-	-
Total revenue and other support	12,599,153	(1,651,294)	-	518,052	(97,444)	394,860	(32,104)	-	359,013	30,925	252,505	204,516	100,433	564,298	27	292,808	132,589	(1,807,873)	11,860,464
EXPENSES																			
Salaries and wages	3,384,700	-	-	87,193	-	85,226	-	-	48,089	-	75,538	28,150	18,152	-	-	101,203	-	(470,305)	3,357,946
Employee benefits	480,956	-	-	13,606	-	9,869	-	-	9,572	-	15,443	-	-	1,699	-	9,684	-	(69,419)	471,410
Payroll taxes	327,979	-	-	10,018	-	8,664	-	-	6,551	-	7,935	5,387	4,496	2,746	-	9,164	-	(49,762)	333,178
Specific assistance	638,704	-	-	-	-	-	-	-	17,753	-	-	-	-	-	-	-	-	(35,506)	620,951
Leasing costs	27,259	-	-	-	-	-	-	-	-	-	-	-	1,386	-	-	-	-	-	28,645
Professional fees	457,166	-	-	10,706	-	217	-	-	8,469	-	17,516	6,252	6,240	51,521	-	26,835	-	(4,200)	580,722
Professional fees - other service providers	635,116	-	-	26,529	-	20,310	-	-	14,489	-	8,854	13,384	2,500	157	-	133,007	-	(133,509)	720,837
Management fee	-	-	-	31,135	-	26,342	-	-	28,489	-	-	-	5,885	-	-	67,692	-	(159,543)	-
Supplies	144,283	-	-	102,697	-	1,718	-	-	3,127	-	12,499	2,216	87,654	263	-	6,687	274	-	361,418
Telephone	26,999	-	-	-	-	2,567	-	-	4,340	-	1,781	1,302	1,181	7,527	-	-	-	-	45,697
Postage and shipping	2,807	-	-	-	-	23	-	-	-	-	5	-	-	5	-	-	-	-	2,840
Occupancy - rental, utilities, and insurance	888,587	-	-	54,898	-	50,242	-	864	65,516	-	114,302	41,895	37,078	27,277	-	44,759	-	(659,950)	665,468
Occupancy - repairs, maintenance	73	-	-	15,359	-	130,290	-	-	62,597	-	-	73,648	7,838	42,881	-	-	-	223	332,909
Other repairs and maintenance	80,680	-	-	-	-	58,960	-	-	22,888	-	81,473	-	-	11	-	-	-	-	244,012
Conferences and meetings	103,210	-	-	-	-	419	-	-	1,143	-	173	-	-	3	-	-	-	-	104,948
Printing and publications	4,127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,127
Travel and transportation	18,791	-	-	-	-	520	-	-	1,522	-	209	829	593	15	-	-	-	(3,038)	19,441
Contributions, dues, and awards	242,994	-	-	-	-	221	-	-	524	-	-	-	2,647	-	-	-	-	(32,039)	214,347
Activity fees and charges	21,281	-	-	60,711	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,992
Interest	82,321	-	-	49,544	-	-	-	-	46,051	-	-	49,769	343,925	127,710	-	122,656	-	(542,624)	279,352
Other	95,756	-	-	3,275	-	12,197	-	3,284	5,431	-	4,044	29,498	24,064	84	45	10,754	31	-	188,463
In-kind	251,219	-	-	-	-	-	-	-	-	-	873	-	-	-	-	-	-	-	252,092
Bad debt expense	16,365	-	-	4,451	-	12,813	-	-	3,465	-	-	6,973	12,277	-	-	10,556	-	-	66,900
(Gain) loss on disposal of property and equipment	1,822	-	-	-	-	(161,334)	-	-	-	-	-	-	-	-	-	-	-	-	(159,512)
Depreciation and amortization	186,420	-	-	42,656	-	74,462	-	-	73,789	-	321,148	98,460	113,054	369,362	-	299,662	-	(31,250)	1,547,763
Total expenses	8,119,615	-	-	512,778	-	333,726	-	4,148	423,805	-	661,793	357,763	668,970	631,261	45	842,659	305	(2,190,922)	10,365,946
CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS	4,479,538	(1,651,294)	-	5,274	(97,444)	61,134	(32,104)	(4,148)	(64,792)	30,925	(409,288)	(153,247)	(568,537)	(66,963)	(18)	(549,851)	132,284	383,049	1,494,518
CAPITAL (DISTRIBUTIONS) CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,032,868	4,511,573	-	(10,100)	5,534,341
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	24,156,741	5,831,541	7,400,000	(919,769)	216,018	2,858,588	109,828	176,544	(988,923)	72,108	2,524,892	1,233,719	(496,143)	(1,330,772)	(19,589)	711,447	-	(5,274,976)	36,261,254
NET ASSETS (ACCUMULATED DEFICIT), END OF YEAR	$ 28,636,279	$ 4,180,247	$ 7,400,000	$ (914,495)	$ 118,574	$ 2,919,722	$ 77,724	$ 172,396	$ (1,053,715)	$ 103,033	$ 2,115,604	$ 1,080,472	$ (1,064,680)	$ (1,397,735)	$ 1,013,261	$ 4,673,169	$ 132,284	$ (4,902,027)	$ 43,290,113

	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	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	ELIMINATIONS	TOTAL
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT																		
Direct Public Support																		
Contributions	$ 35,212	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,212
Special events, net of $25,231 expense	33,932	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,932
Total direct public support	69,144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,144
Indirect Public Support																		
United Way																		
Support funds	430,644	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	430,644
Donor option	22,961	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,961
Grants and awards	566,388	4,505,211	-		-	-	-	-	-	-	22,660	-	-	-	-	-	-	5,094,259
Total indirect public support	1,019,993	4,505,211	-	-	-	-	-	-	-	-	22,660	-	-	-	-	-	-	5,547,864
Fees and Grants from Government and Other Agencies	3,980,925	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(731,485)	3,249,440
Other Revenue																		
Program service fees	194,109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	194,109
Rent income and other charges	6,281	-	-	366,494	40,872	405,496	2,099	-	307,712	76,391	216,820	177,268	106,973	564,225	-	184,110	(797,187)	1,657,554
Investment income	318,107	-	-	1,174	-	-	-	-	233	-	-	-	-	11	-	-	(513,696)	(194,171)
Change in investment in subsidiaries	(434,608)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	399,124	(35,484)
Other	280,781	-	-	4,856	-	17,441	-	-	19	-	9	11,954	3,095	71,931	-	-	(32,501)	357,585
In-kind	3,726,756	-	-	-	-	-	-	60	99	-	-	-	-	-	-	-	-	3,726,915
Total other revenue	4,091,426	-	-	372,524	40,872	422,937	2,099	60	308,063	76,391	216,829	189,222	110,068	636,167	-	184,110	(944,260)	5,706,508
Net Assets Released from Restrictions	1,135,938	(1,135,938)	-	178,005	(178,005)	29,200	(29,200)	-	81,793	(81,793)	-	-	-	-	-	-	-	-
Total revenue and other support	10,297,426	3,369,273	-	550,529	(137,133)	452,137	(27,101)	60	389,856	(5,402)	239,489	189,222	110,068	636,167	-	184,110	(1,675,745)	14,572,956
EXPENSES																		
Salaries and wages	3,319,165	-	-	77,203	-	74,548	-	-	54,081	-	83,133	33,656	19,538	-	-	63,014	(411,658)	3,312,680
Employee benefits	455,899	-	-	13,555	-	10,288	-	-	12,022	-	13,906	-	-	658	-	9,488	(71,313)	444,503
Payroll taxes	326,271	-	-	9,089	-	7,237	-	-	6,515	-	8,884	7,874	5,545	411	-	6,104	(43,936)	333,994
Specific assistance	671,363	-	-	-	-	-	-	-	17,753	-	-	-	-	-	-	-	(35,735)	653,381
Leasing costs	26,802	-	-	-	-	-	-	-	-	-	-	-	1,688	-	-	-	-	28,490
Professional fees	92,653	-	-	10,412	-	102	-	177	11,792	-	19,063	6,087	5,959	29,386	4,087	8,647	(4,200)	184,165
Professional fees - other service providers	558,488	-	-	32,080	-	19,795	-	-	11,665	-	6,453	11,690	2,500	566	-	-	(129,067)	514,170
Management fee	-	-	-	30,349	-	29,118	-	-	27,951	-	-	-	6,418	-	-	12,547	(106,383)	-
Supplies	213,367	-	-	79,465	-	639	-	-	1,300	-	12,091	3,381	32,400	175	-	8,111	-	350,929
Telephone	25,739	-	-	-	-	1,458	-	-	3,747	-	604	838	960	1,725	-	-	-	35,071
Postage and shipping	4,728	-	-	-	-	54	-	-	-	-	5	-	-	5	-	-	-	4,792
Occupancy - rental, utilities, and insurance	843,221	-	-	51,655	-	38,104	-	677	73,776	-	119,906	50,620	34,431	4,886	-	65,051	(716,284)	566,043
Occupancy - repairs and maintenance	3,400	-	-	29,650	-	55,635	-	-	50,603	-	-	97,189	2,571	88,391	-	-	(4)	327,435
Other repairs and maintenance	48,830	-	-	-	-	74,921	-	-	42,277	-	37,838	-	-	-	-	-	-	203,866
Conferences and meetings	126,667	-	-	-	-	433	-	-	2,625	-	-	-	-	-	-	-	-	129,725
Printing and publications	3,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,857
Travel and transportation	19,705	-	-	-	-	1,132	-	-	1,375	-	219	1,339	993	-	-	-	(5,191)	19,572
Contributions, dues, and awards	13,075	-	-	-	-	-	-	-	-	-	-	-	2,400	-	-	-	-	15,475
Activity fees and charges	10,562	-	-	18,108	-	-	-	-	-	-	-	-	-	-	-	-	-	28,670
Interest	109,307	-	-	50,305	-	-	-	-	47,281	-	-	50,303	311,346	127,710	-	25,125	(478,890)	242,487
Other	65,531	-	-	10,699	-	11,125	-	1,235	4,431	-	11,708	27,459	18,869	2,015	13,029	13,563	(1,251)	178,413
In-kind	188,201	-	-	-	-	-	-	60	99	-	-	-	-	-	-	-	-	188,360
Bad debt	8,029	-	-	1,423	-	7,739	-	-	6,356	-	3,642	-	9,549	-	-	2,867	-	39,605
Depreciation and amortization	194,964	-	-	35,751	-	75,538	-	-	102,207	-	321,148	105,131	114,821	490,067	-	96,634	(31,250)	1,505,011
Total expenses	7,329,824	-	-	449,744	-	407,866	-	2,149	477,856	-	638,600	395,567	569,988	745,995	17,116	311,151	(2,035,162)	9,310,694
CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS	2,967,602	3,369,273	-	100,785	(137,133)	44,271	(27,101)	(2,089)	(88,000)	(5,402)	(399,111)	(206,345)	(459,920)	(109,828)	(17,116)	(127,041)	359,417	5,262,262
CAPITAL (DISTRIBUTIONS) CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	347,926	(100)	347,826
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	21,189,139	2,462,268	7,400,000	(1,020,554)	353,151	2,814,317	136,929	178,633	(900,923)	77,510	2,924,003	1,440,064	(36,223)	(1,220,944)	(2,473)	490,562	(5,634,293)	30,651,166
NET ASSETS (ACCUMULTED DEFICIT), END OF YEAR	$ 24,156,741	$ 5,831,541	$ 7,400,000	$ (919,769)	$ 216,018	$ 2,858,588	$ 109,828	$ 176,544	$ (988,923)	$ 72,108	$ 2,524,892	$ 1,233,719	$ (496,143)	$ (1,330,772)	$ (19,589)	$ 711,447	$ (5,274,976)	$ 36,261,254

INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED 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	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES														
Cash and cash equivalents received from organizations and others	$ 7,925,044	$ 472,497	$ (83,236)	$ -	$ 385,087	$ 35,240	$ 187,204	$ 318,376	$ 72,869	$ 512,161	$ 342,145	$ (290,424)	$ 2,474,424	$ 12,351,387
Cash and cash equivalents paid to suppliers, employees, and others	(6,302,036)	(360,057)	(353,572)	-	(273,994)	-	(150,662)	-	44,674	(10,073)	(821,179)	838,049	(2,709,843)	(10,098,693)
Interest paid	(82,321)	(49,544)	-	-	(46,051)	-	(15,016)	(343,925)	(127,710)	-	(112,288)	-	542,624	(234,231)
Investment income received	928,069	824	-	-	334	-	-	-	-	-	-	-	(542,624)	386,603
Net cash, cash equivalents, and restricted cash provided by (used in) operating activities	2,468,756	63,720	(436,808)	-	65,376	35,240	21,526	(25,549)	(10,167)	502,088	(591,322)	547,625	(235,419)	2,405,066
CASH FLOWS FROM INVESTING ACTIVITIES														
Proceeds from sale of investments	1,104,341	-	-	-	-	-	-	-	-	-	-	-	-	1,104,341
Purchases of investments	(3,261,061)	-	-	-	-	-	-	-	-	-	-	-	-	(3,261,061)
Proceeds from disposal of property and equipment	-	-	378,509	-	-	-	-	-	-	-	-	-	-	378,509
Acquisition of property and equipment	(113,013)	(6,995)	(10,900)	-	(6,014)	(35,651)	-	-	(12,865)	(1,130,170)	(64,792)	-		(1,380,400)
Payments received from notes receivable	1,762,241	-	-	-	-	-	-	-	-	-	-	-	(1,112,134)	650,107
Investments made in notes receivable	(2,044,274)	-	-	-	-	-	-	-	-	-	-	-	371,352	(1,672,922)
Net cash, cash equivalents, and restricted cash provided by (used in) investing activities	(2,551,766)	(6,995)	367,609	-	(6,014)	(35,651)	-	-	(12,865)	(1,130,170)	(64,792)	-	(740,782)	(4,181,426)
CASH FLOWS FROM FINANCING ACTIVITIES														
Net activity on line of credit	(157,500)	-	-	-	-	-	-	-	-	-	-	-	-	(157,500)
Principal payments on notes and mortgages payable	(1,328,620)	(170,224)	-	-	(42,281)	-	(10,196)	-	-	(365,651)	(3,794,305)	-	986,301	(4,724,976)
Payment of financing fees	-	-	-	-	-	-	-	-	-	(43,500)	-	-	-	(43,500)
Capital contributions received	-	-	-	-	-	-	-	-	-	1,032,868	4,511,573	-	(10,100)	5,534,341
Net cash, cash equivalents, and restricted cash provided by (used in) financing activities	(1,486,120)	(170,224)	-	-	(42,281)	-	(10,196)	-	-	623,717	717,268	-	976,201	608,365
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,569,130)	(113,499)	(69,199)	-	17,081	(411)	11,330	(25,549)	(23,032)	(4,365)	61,154	547,625	-	(1,167,995)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	5,200,658	295,942	151,148	-	80,154	1,679	96,824	138,088	24,197	8,200	29,417	-	-	6,026,307
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	$ 3,631,528	$ 182,443	$ 81,949	$ -	$ 97,235	$ 1,268	$ 108,154	$ 112,539	$ 1,165	$ 3,835	$ 90,571	$ 547,625	$ -	$ 4,858,312
SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES														
Purchase of property and equipment with loan proceeds	$ 42,961	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,282,499	$ 1,374,984	$ -	$ (500,000)	$ 2,200,444
Purchase of property and equipment in accounts payable	-	-	-	-	-	-	-	-	-	-	414,568	-	(414,568)	-

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED 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	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	ELIMINATIONS	TOTAL
CHANGE IN NET ASSETS	$ 2,828,244	$ (92,170)	$ 29,030	$ (4,148)	$ (33,867)	$ (409,288)	$ (153,247)	$ (568,537)	$ (66,963)	$ (18)	$ (549,851)	$ 132,284	$ 383,049	$ 1,494,518
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES														
Depreciation and amortization	186,420	42,656	74,462	-	73,789	321,148	98,460	113,054	369,362	-	299,662	-	(31,250)	1,547,763
Donated goods, property, equipment, and investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss (gain) on disposal of property and equipment	1,822	-	(161,334)	-	-	-	-	-	-	-	-	-	-	(159,512)
Unrealized/Realized gain on investments	(1,077,422)	-	-	-	-	-	-	-	-	-	-	-	-	(1,077,422)
Change in investment in subsidiary	467,082	-	-	-	-	-	-	-	-	-	-	-	(409,288)	57,794
(Increase) decrease in operating assets														
Grant reimbursements receivable	116,735	-	-	-	-	-	-	-	-	-	-	-	-	116,735
United Way receivables	(249,497)	-	-	-	-	-	-	-	-	-	-	-	-	(249,497)
Related party receivables	(1,073,090)	-	(444,668)	-	-	(15,789)	(3,537)	-	(491,429)	(10,100)	35,484	(423,013)	2,469,413	43,271
Other receivables, net	3,695	55,826	11,489	-	(1,052)	(9,516)	(5,652)	9,081	-	-	14,897	-	-	78,768
Prepaid expenses	(20,395)	219	(505)	(104)	(48,679)	1,480	(83)	83	690	2	(1,936)	(10,757)	-	(79,985)
Increase (decrease) in operating liabilities														
Accounts payable	97,343	(7,487)	29,998	-	(153)	7,013	14,153	34,144	(1,735)	92,186	(528,886)	849,111	-	585,687
Accrued payroll	24,291	-	-	-	-	-	-	-	-	-	-	-	-	24,291
Related party payables	1,202,705	63,356	30,347	4,252	74,886	140,192	35,554	40,880	162,091	418,973	160,100	-	(2,310,907)	22,429
Other payables and accrued expenses	(8,147)	(18)	(5,627)	-	452	-	37,028	345,886	17,817	1,045	(19,748)	-	(367,686)	1,002
Deferred revenue	(31,030)	1,338	-	-	-	-	(1,150)	(140)	-	-	(1,044)	-	31,250	(776)
Total adjustments	(359,488)	155,890	(465,838)	4,148	99,243	444,528	174,773	542,988	56,796	502,106	(41,471)	415,341	(618,468)	910,548
NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 2,468,756	$ 63,720	$ (436,808)	$ -	$ 65,376	$ 35,240	$ 21,526	$ (25,549)	$ (10,167)	$ 502,088	$ (591,322)	$ 547,625	$ (235,419)	$ 2,405,066

INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED 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	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITEIS													
Cash received from organizations and others	$ 10,496,225	$ 356,906	$ 172,229	$ 43,698	$ 377,478	$ (1,272)	$ 309,808	$ 322,566	$ 71,635	$ 9,847	$ 883,603	$ (98,577)	$ 12,944,146
Cash paid to suppliers, employees, and others	(2,579,027)	(353,528)	(382,285)	-	(281,676)	-	(296,744)	-	(93,551)	-	-	(1,368,288)	(5,355,099)
Interest paid	(109,307)	(50,305)	-	-	(47,281)	-	(15,550)	(311,346)	(127,710)	-	(25,125)	478,890	(207,734)
Investment income received	793,100	1,174	-	-	233	-	-	-	11	-	-	(478,890)	315,628
Net cash, cash equivalents, and restricted cash provided by (used in) operating activities	8,600,991	(45,753)	(210,056)	43,698	48,754	(1,272)	(2,486)	11,220	(149,615)	9,847	858,478	(1,466,865)	7,696,941
CASH FLOWS FROM INVESTING ACTIVITES													
Proceeds from sale of investments	774,156	-	-	-	-	-	-	-	-	-	-	-	774,156
Purchases of investments	(232,774)	-	-	-	-	-	-	-	-	-	-	-	(232,774)
Proceeds from sale of property and equipment	-	-	43,939	-	-	-	-	-	-	8,200	-	-	52,139
Acquisition of property and equipment	(6,214)	(210,308)	-	(44,065)	(11,865)	(4,249)	(10,370)	(11,719)	-	(75,498)	(451,910)	34,806	(791,392)
Payments received from notes receivable	370,000	-	-	-	-	-	-	-	-	-	-	9,616,952	9,986,952
Investments made in notes receivable	(6,052,598)	-	-	-	-	-	-	-	-	-	-	6,052,598	-
Net cash, cash equivalents, and restricted cash provided by (used in) investing activities	(5,147,430)	(210,308)	43,939	(44,065)	(11,865)	(4,249)	(10,370)	(11,719)	-	(67,298)	(451,910)	15,704,356	9,789,081
CASH FLOWS FROM FINANCING ACTIVITIES													
Net activity on line of credit	240,000	-	-	-	-	-	-	-	-	-	-	-	240,000
Borrowings (principal payments) on notes and mortgages payable	-	118,638	-	-	(38,908)	-	(7,807)	-	-	65,651	(800,000)	(14,237,526)	(14,899,952)
Payment of financing fees	(10,317)	-	-	-	(35)	-	-	-	-	-	(9,069)	135	(19,286)
Capital contributions received (capital distributions paid)	-	-	-	-	-	-	-	-	-	-	347,926	(100)	347,826
Net cash, cash equivalents, and restricted cash provided by (used in) financing activities	229,683	118,638	-	-	(38,943)	-	(7,807)	-	-	65,651	(461,143)	(14,237,491)	(14,331,412)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	3,683,244	(137,423)	(166,117)	(367)	(2,054)	(5,521)	(20,663)	(499)	(149,615)	8,200	(54,575)	-	3,154,610
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	1,517,414	433,365	317,265	367	82,208	7,200	117,487	138,587	173,812	-	83,992	-	2,871,697
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	$ 5,200,658	$ 295,942	$ 151,148	$ -	$ 80,154	$ 1,679	$ 96,824	$ 138,088	$ 24,197	$ 8,200	$ 29,417	$ -	$ 6,026,307
SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES													
Donated property and equipment and investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,222,596	$ -	$ 2,222,596
Purchase of property and equipment with loan proceeds	-	-	-	-	-	-	-	-	-	-	461,454	-	461,454

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED 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	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	ELIMINATIONS	TOTAL
CHANGE IN NET ASSETS	$ 6,336,875	$ (36,348)	$ 17,170	$ (2,089)	$ (93,402)	$ (399,111)	$ (206,345)	$ (459,920)	$ (109,828)	$ (17,116)	$ (127,041)	$ 359,417	$ 5,262,262
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES													
Depreciation and amortization	194,964	35,751	75,538	-	102,207	321,148	105,131	114,821	490,067	-	96,634	(31,250)	1,505,011
Unrealized gains on investments	474,993	-	-	-	-	-	-	-	-	-	-	-	474,993
Change in investment in subsidiary	434,608	-	-	-	-	-	-	-	-	-	-	(399,124)	35,484
(Increase) decrease in operating assets													
Grant reimbursements receivable	(33,021)	-	-	-	-	-	-	-	-	-	-	-	(33,021)
United Way receivables	(140,752)	-	-	-	-	-	-	-	-	-	-	-	(140,752)
Related party receivables	657,913	-	(257,347)	-	-	72,499	114,056	-	(564,521)		2,208	(90,120)	(65,312)
Pledges receivable	-	-	-	-	-	-	-	-	-	-		-	-
Other receivables, net	(6,216)	(54,220)	12,279	-	(387)	3,035	4,990	(2,281)	-	-	(61,190)	-	(103,990)
Prepaid expenses	3,245	(577)	(959)	-	(2,631)	(3,195)	51	(1,199)	(3,647)	(2)	(1,141)	-	(10,055)
Increase (decrease) in operating liabilities													
Accounts payable	60,259	12,699	(30,736)	-	548	(38,838)	(1,064)	(717)	7,711	(2,902)	766,289	-	773,249
Accrued payroll	12,619	-	-	-	-	-	-	-	-	-	-	-	12,619
Related party payables	699,590	(3,559)	-	45,787	41,135	43,195	(52,037)	48,085	113,521	29,792	(14,614)	(950,895)	-
Other payables and accrued expenses	(55,943)	174	(26,001)	-	1,284	(5)	31,192	312,408	(82,918)	75	197,950	(386,143)	(7,927)
Deferred revenue	(38,143)	327	-	-	-	-	1,540	23	-	-	(617)	31,250	(5,620)
Total adjustments	2,264,116	(9,405)	(227,226)	45,787	142,156	397,839	203,859	471,140	(39,787)	26,963	985,519	(1,826,282)	2,434,679
NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 8,600,991	$ (45,753)	$ (210,056)	$ 43,698	$ 48,754	$ (1,272)	$ (2,486)	$ 11,220	$ (149,615)	$ 9,847	$ 858,478	$ (1,466,865)	$ 7,696,941

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Indiana Housing & Community Development Authority			
Housing Counseling Assistance Program	14.169	HC-019-002	$ 26,190
City of Indianapolis - Department of Metropolitan Development			
CDBG-Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants - Children & Youth Summer Camp	14.218	1300003828	18,750
Local Initiatives Support Corporation			
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	43675-0050	30,000
Indianapolis Housing Authority			
Section 8 Project-Based Cluster			
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	IN017	586,384
Total U.S. Department of Housing and Urban Development Programs			661,324
U.S. DEPARTMENT OF JUSTICE			
Innovation in Community-Based Crime Reduction	16.817		64,953
Total U.S. Department of Justice Programs			64,953
U.S. DEPARTMENT OF LABOR			
Local Initiative Support Corporation			
Reentry Employment Opportunities	17.270	43675-0052	137,355
Total U.S. Department of Labor Programs			137,355
U.S. DEPARTMENT OF TRANSPORTATION			
Indianapolis Public Transportation Corporation			
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	N/A	44,000
Total U.S. Department of Transportation Programs			44,000
DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE			
United Way of Central Indiana			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	Agreement #1021	2,115
	21.009	19VITA0151	42,407
Total Department of Treasury - Internal Revenue Service Programs			44,522
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Indiana Humanities Council			
Promotion of the Humanities Federal/State Partnership	45.129	16SIHIN001	2,500
Total National Endowment for the Humanities			2,500
U.S. DEPARTMENT OF EDUCATION			
Innovative Approaches to Literacy, Full-Service Community Schools; and Promise Neighborhoods	84.215		12,316
Indiana Department of Education			
21st Century Community Learning Centers	84.287	A58818DL4566	151,918
21st Century Community Learning Centers	84.287	A58919DL0013	307,277
21st Century Community Learning Centers	84.287	A58919DL0050	166,500
			625,695
Total U.S. Department of Education Programs			638,011
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Central Indiana Council on Aging			
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	111-D-2018-19-02	3,697
Indiana State Department of Health			
Maternal and Child Health Federal Consolidated Programs	93.110	0026578/0037241	109,482
United Way of Central Indiana, Inc.			
Low-Income Home Energy Assistance Program	93.568	LI-019-027/Agreement #1021	599,851
Indiana Housing & Community Development Authority			
Assets for Independence	93.602	IDA016-015	16,929
Total U.S. Department of Health and Human Services Programs			729,959

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	94.006	AF-8-884/AF-9-884	$ 105,770
Local Initiative Support Corporation			
Social Innovation Fund - LISC National	94.019	43675-0049	46,213
United Way of Central Indiana, Inc.			
Social Innovation Fund - Great Families 2020	94.019	16SIHIN001	300,000
			346,213
Total Corporation for National and Community Service Programs			451,983
U.S. DEPARTMENT OF HOMELAND SECURITY			
United Way Federal Emergency Management Agency			
Emergency Food and Shelter National Board Program	97.024	27280019-019	795
Total U.S. Department of Homeland Security Programs			795
Grand Total			$ 2,775,402

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, 2019. The information in this Schedule is presented in accordance with the 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). 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 reimbursement.

3. INDIRECT COST RATE

The Center and BP have elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance except from federal awards by the U.S. Department of Education. The U.S. Department of Education requires a de minimis cost rate of 8-percent.

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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, 2019, 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, and have issued our report thereon dated June 30, 2020. 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 Indy East Homes, LP, 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 Organization'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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 30, 2020

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Report On Compliance For Each Major Federal Program And On Internal Control Over Compliance Required By The Uniform Guidance

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, 2019. 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 $1,780,876 in federal awards which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2019. The Organization's basic consolidated financial statements include the operations of Parish Place, Inc. d/b/a Byrne Court Apartments (Byrne), which received $1,800,669 in federal awards for the year ended June 30, 2019 which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2019. 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 types of 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, 2019.

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 30, 2020

A. SUMMARY OF AUDIT RESULTS

Financial Statements

1. Type of auditors' report issued on whether the consolidated financial statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP): Unmodified

2. Internal control over financial reporting:
   Material weakness(es) identified? _______yes ___X___no
   Significant deficiency(ies) identified? _______yes ___X___none reported

3. Noncompliance material to financial statements noted? _______yes ___X___no

Federal Awards

4. Internal control over major federal programs:
   Material weakness(es) identified? _______yes ___X___no
   Significant deficiency(ies) identified? _______yes ___X___none reported

5. Type of auditors' report issued on compliance for major federal programs: Unmodified

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

7. Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.287	21st Century Community Learning Centers

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.