
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, 2015 AND 2014

GREENWALT^{CPAs}

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

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DECEMBER 31, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of 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 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, 2015 and 2014, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of New Life Manor Apartments (NLM), Brookside Apartments, LP (BA), Jefferson Apartments, LP (JA), and Near East Side Legacy Center, LLC d/b/a Boner Fitness & Learning Center at the Chase Legacy Building (NELC), which statements of financial position reflect total assets constituting 52% and 37%, respectively, of consolidated total assets at December 31, 2015 and 2014, and total revenues constituting 2% and 7%, respectively, of consolidated revenues for the years then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for NLM, BA, JA and NELC, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2015 and 2014, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2016, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Greenwald CPAs, Inc.

June 27, 2016

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash	\$ 698,543	\$ 1,542,867
Cash - restricted	977,768	1,160,870
Grant reimbursements receivable	955,511	572,667
United Way receivables	188,112	198,036
Related party receivables	14,899	43,988
Pledges receivable	-	1,208
Note receivable	533,000	500,000
Other receivables, net	38,345	81,730
Prepaid expenses	61,338	58,382
Short term investments	102,887	-
Financing fees, net of accumulated amortization of \$51,575 and \$43,998 at December 31, 2015 and 2014, respectively	144,987	146,764
<i>Total current assets</i>	3,715,390	4,306,512
LONG TERM INVESTMENTS	809,491	-
NOTE RECEIVABLE	10,320,338	10,320,338
PROPERTY AND EQUIPMENT, NET	25,473,781	25,861,632
<i>Total assets</i>	<u>\$ 40,319,000</u>	<u>\$ 40,488,482</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 148,744	\$ 190,092
Accrued payroll	75,998	175,832
Related party payables	1,500	1,500
Other payables and accrued expenses	354,412	353,994
Deferred revenue	61,064	30,294
Line of credit	235,000	552,000
Current maturities of notes and mortgages payable	57,979	46,463
<i>Total current liabilities</i>	934,697	1,350,175
LONG-TERM LIABILITIES		
Notes and mortgages payable, net of current portion	18,427,674	17,912,347
<i>Total liabilities</i>	19,362,371	19,262,522
COMMITMENTS AND CONTINGENCIES (NOTES 9 and 10)		
NET ASSETS		
Unrestricted	16,280,185	16,770,566
Minority interest in net assets of consolidated subsidiary	2,161,819	2,630,615
<i>Total unrestricted net assets</i>	18,442,004	19,401,181
Temporarily restricted	2,514,625	1,824,779
<i>Total net assets</i>	20,956,629	21,225,960
<i>Total liabilities and net assets</i>	<u>\$ 40,319,000</u>	<u>\$ 40,488,482</u>

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, 2015 AND 2014

	2015			2014		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND OTHER SUPPORT						
Direct Public Support						
Contributions	\$ 28,785	\$ 3,100	\$ 31,885	\$ 75,993	\$ -	\$ 75,993
Special events, net of expense of \$14,913 in 2015 and \$22,072 in 2014	80,106	-	80,106	99,337	-	99,337
<i>Total direct public support</i>	<u>108,891</u>	<u>3,100</u>	<u>111,991</u>	<u>175,330</u>	<u>-</u>	<u>175,330</u>
Indirect Public Support						
United Way						
Support funds	409,956	-	409,956	419,069	-	419,069
Donor option	8,474	-	8,474	7,588	-	7,588
Grants and awards	173,064	978,206	1,151,270	203,936	230,060	433,996
<i>Total indirect public support</i>	<u>591,494</u>	<u>978,206</u>	<u>1,569,700</u>	<u>630,593</u>	<u>230,060</u>	<u>860,653</u>
Fees and Grants from Government and Other Agencies	<u>6,886,949</u>	<u>-</u>	<u>6,886,949</u>	<u>7,042,649</u>	<u>-</u>	<u>7,042,649</u>
Other Revenue						
Program service fees	268,715	-	268,715	217,573	-	217,573
Rent income and other charges	1,568,163	166,594	1,734,757	1,677,664	39,907	1,717,571
Investment income	143,912	-	143,912	109,438	-	109,438
Other revenue	188,695	-	188,695	674,176	-	674,176
In-kind	106,828	-	106,828	221,559	-	221,559
<i>Total other revenue</i>	<u>2,276,313</u>	<u>166,594</u>	<u>2,442,907</u>	<u>2,900,410</u>	<u>39,907</u>	<u>2,940,317</u>
Net Assets Released from Restriction	458,054	(458,054)	-	335,418	(335,418)	-
<i>Total revenue and other support</i>	<u>10,321,701</u>	<u>689,846</u>	<u>11,011,547</u>	<u>11,084,400</u>	<u>(65,451)</u>	<u>11,018,949</u>
EXPENSES						
Salaries and wages	2,319,693	-	2,319,693	2,630,278	-	2,630,278
Employee benefits	294,599	-	294,599	295,378	-	295,378
Payroll taxes	246,705	-	246,705	278,964	-	278,964
Specific assistance	4,407,857	-	4,407,857	4,991,886	-	4,991,886
Leasing costs	18,283	-	18,283	10,168	-	10,168
Professional fees	94,083	-	94,083	93,811	-	93,811
Professional fees - other service providers	209,011	-	209,011	110,601	-	110,601
Management fee	83,556	-	83,556	-	-	-
Supplies	230,354	-	230,354	173,705	-	173,705
Telephone	33,059	-	33,059	29,852	-	29,852
Postage and shipping	5,319	-	5,319	10,352	-	10,352
Occupancy - rental, utilities, insurance	688,100	-	688,100	675,299	-	675,299
Occupancy - repairs, maintenance	134,236	-	134,236	172,332	-	172,332
Other repairs and maintenance	128,928	-	128,928	180,717	-	180,717
Conferences and meetings	62,484	-	62,484	37,741	-	37,741
Printing and publications	23,972	-	23,972	12,554	-	12,554
Travel and transportation	18,530	-	18,530	12,816	-	12,816
Contributions, dues and awards	12,715	-	12,715	131,393	-	131,393
Activity fees and charges	47,097	-	47,097	23,470	-	23,470
Interest expense	402,666	-	402,666	363,128	-	363,128
Other expenses	162,184	-	162,184	116,184	-	116,184
In-kind	97,868	-	97,868	75,743	-	75,743
Bad debt expense	29,298	-	29,298	41,410	-	41,410
Loss on sale of property and equipment	2,807	-	2,807	-	-	-
Depreciation and amortization	1,527,474	-	1,527,474	1,364,520	-	1,364,520
<i>Total expenses</i>	<u>11,280,878</u>	<u>-</u>	<u>11,280,878</u>	<u>11,832,302</u>	<u>-</u>	<u>11,832,302</u>
CHANGE IN NET ASSETS	(959,177)	689,846	(269,331)	(747,902)	(65,451)	(813,353)
NET ASSETS, BEGINNING OF YEAR	<u>19,401,181</u>	<u>1,824,779</u>	<u>21,225,960</u>	<u>20,149,083</u>	<u>1,890,230</u>	<u>22,039,313</u>
NET ASSETS, END OF YEAR	<u>\$ 18,442,004</u>	<u>\$ 2,514,625</u>	<u>\$ 20,956,629</u>	<u>\$ 19,401,181</u>	<u>\$ 1,824,779</u>	<u>\$ 21,225,960</u>

See accompanying notes to financial statements.

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, 2015 AND 2014

	Controlling Interest			Minority Interest	Total
	Unrestricted	Temporarily Restricted	Total		
NET ASSETS, JANUARY 1, 2014	\$ 17,035,510	\$ 1,890,230	\$ 18,925,740	\$ 3,113,573	\$ 22,039,313
CHANGE IN NET ASSETS	<u>(264,944)</u>	<u>(65,451)</u>	<u>(330,395)</u>	<u>(482,958)</u>	<u>(813,353)</u>
NET ASSETS, DECEMBER 31, 2014	16,770,566	1,824,779	18,595,345	2,630,615	21,225,960
CHANGE IN NET ASSETS	<u>(490,381)</u>	<u>689,846</u>	<u>199,465</u>	<u>(468,796)</u>	<u>(269,331)</u>
NET ASSETS, DECEMBER 31, 2015	<u><u>\$ 16,280,185</u></u>	<u><u>\$ 2,514,625</u></u>	<u><u>\$ 18,794,810</u></u>	<u><u>\$ 2,161,819</u></u>	<u><u>\$ 20,956,629</u></u>

DECREASE IN UNRESTRICTED CASH

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from organizations and others	\$ 11,834,953	\$ 11,151,483
Cash paid to suppliers, employees, and others	(11,140,366)	(11,258,738)
Interest paid	(76,343)	(63,545)
Investment income received	143,912	109,438
	<u>762,156</u>	<u>(61,362)</u>
<i>Net cash provided by (used in) operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net deposits (to) from reserves	183,102	187,047
Proceeds from certificates of deposit	(912,378)	-
Acquisition of property and equipment	(1,001,611)	(347,899)
	<u>(1,730,887)</u>	<u>(160,852)</u>
<i>Net cash used in investing activities</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds (repayments) on line of credit	(317,000)	285,000
Net borrowings (principal payments on) on notes and mortgages payable	480,207	394,302
Payment of financing fee	(5,800)	-
Net activity on note receivable	(33,000)	(500,000)
	<u>124,407</u>	<u>179,302</u>
<i>Net cash provided by financing activities</i>		
NET DECREASE IN UNRESTRICTED CASH	(844,324)	(42,912)
UNRESTRICTED CASH, BEGINNING OF YEAR	<u>1,542,867</u>	<u>1,585,779</u>
UNRESTRICTED CASH, END OF YEAR	<u>\$ 698,543</u>	<u>\$ 1,542,867</u>

SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

Donated property and equipment	\$ 2,500	\$ 142,572
Purchase of property and equipment in accounts payable	\$ 84,106	\$ -
Purchase of property and equipment with loan	\$ 46,636	\$ -

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

	2015	2014
CHANGE IN NET ASSETS	\$ (269,331)	\$ (813,353)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Loss on sale of property and equipment	2,807	-
Depreciation and amortization	1,527,474	1,364,520
Donated goods, property, and equipment	(2,500)	(142,572)
<i>(Increase) decrease in operating assets:</i>		
Grant reimbursements receivable	(382,844)	(332,572)
United Way receivables	9,924	12,420
Related party receivables	29,089	(8,956)
Pledges receivable	1,208	500
Other receivables, net	43,385	(45,909)
Prepaid expenses	(2,956)	(1,005)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	(125,454)	(15,699)
Accrued payroll	(99,834)	(25,602)
Other payables and accrued expenses	418	(50,907)
Deferred revenue	30,770	(2,227)
 <i>Total adjustments</i>	 <u>1,031,487</u>	 <u>751,991</u>
 NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 <u><u>\$ 762,156</u></u>	 <u><u>\$ (61,362)</u></u>

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

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

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

New Life Manor Apartments (NLM) was added as a division of the Center in April 1980 to operate housing units. The Project refinanced its mortgage loan on May 30, 2008 under Section 207 pursuant to Section 223(f) of the National Housing Act for the Elderly and Handicapped, the Project's major program. The 48 unit project offers affordable housing for the needy elderly and/or handicapped.

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

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

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

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

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

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

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

DESCRIPTION OF ORGANIZATION, CONTINUED

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

BASIS OF ACCOUNTING AND USE OF ESTIMATES

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

PRINCIPLES OF CONSOLIDATION

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

CASH AND CASH EQUIVALENTS

The Organization considers all liquid investments, except restricted cash, with original maturities of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2015 and 2014.

OTHER RECEIVABLES

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

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

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

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

OTHER RECEIVABLES, CONTINUED

Receivables are stated at the amount management expects to collect from outstanding balances. Management had estimated an allowance for doubtful accounts related to other receivables of \$21,913 and \$9,205 as of December 31, 2015 and 2014, respectively.

INVESTMENTS

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

	<u>2015</u>	<u>2014</u>
Short term investments:		
Certificates of deposit	\$ 102,887	\$ -
Long-term investments:		
Certificates of deposit	<u>809,491</u>	<u>-</u>
	<u>\$ 912,378</u>	<u>\$ -</u>

The Organization's certificates of deposit are recorded at cost at December 31, 2015.

PROPERTY AND EQUIPMENT

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

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

FINANCING FEES

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

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSETS

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

UNRESTRICTED

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

TEMPORARILY RESTRICTED

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

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

	<u>2015</u>	<u>2014</u>
Super Bowl Legacy Project	\$ 54,384	\$ 73,248
NELC maintenance fund	713,428	713,428
Replacement reserve	332,176	388,539
Other programs	<u>1,414,637</u>	<u>649,564</u>
	<u>\$ 2,514,625</u>	<u>\$ 1,824,779</u>

The Organization has no permanently restricted net assets at December 31, 2015 and 2014.

CONTRIBUTIONS AND PLEDGES

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

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CONTRIBUTIONS AND PLEDGES, CONTINUED

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

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

EXPENSE ALLOCATION

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

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

	<u>2015</u>	<u>2014</u>
Program services	\$ 10,430,343	\$ 11,193,180
Management and general	669,986	488,927
Fundraising	195,462	173,267
Less fundraising expense netted with revenue page 6	<u>(14,913)</u>	<u>(22,072)</u>
	<u>\$ 11,280,878</u>	<u>\$ 11,832,302</u>

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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions of \$106,828 and \$221,559 in 2015 and 2014, respectively. The majority of 2015 donations related to food and beverage for events, silent auction items, and volunteer fitness instructors. The majority of 2014 contributions were donated properties to BP. These properties were recorded at the fair market value, determined by real estate appraisal, at the date the properties were donated to BP. The remaining 2014 donations related to forgiveness of debt, food and beverage for events and silent auction items.

SUBSEQUENT EVENTS

Subsequent events have been considered through June 27, 2016, which was the date the financial statements were available to be issued.

2. TAX STATUS

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

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

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

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

All tax periods prior to 2012 are no longer subject to examination.

3. CASH - RESTRICTED

NLM, BP, Byrne, BA, and JA maintain cash balances that are to be used for future capital projects and improvements. NLM, Byrne, BA, and JA are required to set aside amounts for the replacement of property and other expenditures. For NLM and Byrne, HUD restricted deposits are held in separate accounts and generally are not available for operating purposes. Accordingly, these amounts have been recorded as restricted on the statement of financial position. Cash restricted for replacement reserve was \$706,241 and \$741,855 at December 31, 2015 and 2014, respectively.

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 \$3,717 and \$20,004 at December 31, 2015 and 2014, respectively.

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3. CASH – RESTRICTED, CONTINUED

NELC has cash reserved for future construction and certain other fees and expenses of \$242,835 and \$350,524 at December 31, 2015 and 2014, respectively.

The Center has cash restricted for the Assets for Independence program of \$24,975 and \$48,487 at December 31, 2015 and 2014, respectively.

At December 31, 2015 and 2014, the Center maintained cash balances in excess of federally insured deposit limits.

4. NOTES RECEIVABLE

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

In October 2014, the Center entered into a loan agreement with Near East Area Renewal, Inc. (NEAR) for the revitalization of the Near Eastside of Indianapolis. The loan funds will be advanced on an as needed basis to NEAR up to \$1,750,000 at an annual interest rate of 3.75%, compounded annually with accrued interest payable in quarterly installments. The balance was \$533,000 and \$500,000 as of December 31, 2015 and 2014, respectively.

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
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5. PROPERTY AND EQUIPMENT

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

	<u>2015</u>	<u>2014</u>
Buildings	\$ 28,744,219	\$ 28,145,652
Leasehold improvements	361,260	361,260
Furnishings and office equipment	3,419,055	3,305,380
Autos and trucks	<u>151,660</u>	<u>125,160</u>
	32,676,194	31,937,452
Accumulated depreciation	<u>(10,122,402)</u>	<u>(8,624,342)</u>
	22,553,792	23,313,110
Land and land improvements	2,518,784	2,518,784
Construction in progress	-	29,738
Real estate held for sale	<u>401,205</u>	<u>-</u>
	<u>\$ 25,473,781</u>	<u>\$ 25,861,632</u>

6. LINE OF CREDIT

The Center had a revolving line of credit with a bank for \$600,000, which expires in October 2016. Effective August 4, 2015, the Center amended the original line of credit agreement, increasing the borrowing base to \$800,000. Interest payable on the line of credit is calculated monthly at LIBOR rate plus 2.85% (3.21% and 3.01% December 31, 2015 and 2014, respectively). The amount outstanding on the line was \$235,000 and \$552,000 at December 31, 2015 and 2014, respectively. Borrowings under this agreement are collateralized by the Center's assets.

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
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 DECEMBER 31, 2015 AND 2014

7. NOTES AND MORTGAGE PAYABLE

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

	<u>2015</u>	<u>2014</u>
a. The Center has a promissory note with State Farm Mutual Insurance Company to support housing redevelopment in the neighborhood. The Center may borrow up to a maximum of \$4,000,000. The unpaid principal of the note bears an interest rate of 3.50%. The note matures June 30, 2020.	\$ 1,443,400	\$ 913,200
b. New Life Manor has a mortgage loan under the provisions of Section 202 of the National Housing Act. Effective May 20, 2008, NLM refinanced its mortgage loan with another financial institution. The mortgage is payable in monthly installments of \$7,873 including principal and interest of 6.25% through May 2043. The mortgage also requires monthly deposits to a reserve and replacement fund.	1,239,338	1,255,790
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.	276,993	285,220
d. Byrne has a mortgage loan under the provisions of Section 202 of the National Housing Act. Effective April 30, 2008, Byrne refinanced its mortgage loan with another financial institution. The mortgage is payable in monthly installments of \$10,318 including principal and interest of 6.24%, through April 2043. The mortgage also requires monthly deposits of \$1,250 to a reserve and replacement fund.	1,623,992	1,645,725

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 DECEMBER 31, 2015 AND 2014

7. NOTES AND MORTGAGE PAYABLE, CONTINUED

e. NELC executed a loan agreement with New Markets Investment 59, LLC in the amount of \$13,858,875. The note bears interest at the rate of .9215% per annum. The note calls for quarterly investment on an interest-only basis commencing on March 1, 2011 through March 1, 2018. As of March 1, 2018, equal quarterly principal and interest payments of \$125,062 commence with all unpaid principal being due and payable at the maturity date of February 8, 2043. The note is collateralized by a mortgage on the property as well as the assignment of leases. In addition, the Center has executed a guaranty agreement with the lender for payment in full of guaranteed obligations.	13,858,875	13,858,875
f. In 2015, the Center entered into a promissory note with BMO Harris Bank N.A. in the amount of \$46,000. The promissory note is payable in monthly installments of \$838 including principal and interest of 3.5% through August 4, 2020. The loan is secured by copier equipment of the Center.	43,055	-
	18,485,653	17,958,810
Less: current maturities	(57,979)	(46,463)
	<u>\$ 18,427,674</u>	<u>\$ 17,912,347</u>

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

2016	\$ 57,979
2017	61,384
2018	438,820
2019	446,101
2020	1,893,553
Thereafter	15,587,816
	<u>\$ 18,485,653</u>

**JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RELATED PARTY TRANSACTIONS

A member of the Center's management served on the Board of Directors of East 10th Street Civic Association (Civic Association) for part of 2015 and all of 2014. At December 31, 2015 and 2014, the Center had accounts receivable due from the East 10th Street Civic Association of \$13,268 and \$41,060, respectively, for rent and salaries.

At December 31, 2015 and 2014, the Center had accounts receivable due from NEAR of \$1,631 and \$2,928, respectively. NEAR is a partner agency on various Near Eastside of Indianapolis building projects. See also Note 4 for notes receivable information.

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

Great Lakes Capital Fund for Housing Nonprofit Housing Corporation, a limited partner of JA, is entitled to receive an annual investor services fee from BA in the amount of \$1,500 per year, commencing for the tax year ending December 31, 2008. The noncumulative fee is payable out of available cash flow, as defined. A fee of \$1,500 was earned and accrued in 2015 and 2014, respectively and is included in accounts payable – related parties.

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

During June 2015, JHBCC entered into a purchase agreement with the Board of School Commissioners of the City of Indianapolis to purchase the real estate commonly known as Minnie Hartmann School 78. A Board member of the Organization has a personal guarantee for the purchase price of this property should the project fail to raise the necessary capital and rental housing tax credits.

9. CONTINGENCIES

Near Eastside Holding has executed a guaranty agreement for BA and JA under which they guarantee to advance funds to the extent needed to make operating deficit contributions. In addition, they guarantee to advance funds to the extent needed to make all payments to the operating and replacement reserves, to return limited partner contributions due to tax credit shortfalls, to purchase the limited partner's interest in the Partnerships, and to make a capital contribution sufficient to satisfy any remaining unpaid portion of the 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 2015 or 2014.

The Boner Center guarantees punctual payment in full of all guaranteed obligations of NELC, BA, and JA as defined, when the same becomes due whether at stated maturity, by acceleration, demand or otherwise.

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NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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10. OPERATING LEASES

The Center leases certain office equipment under various operating leases with expiration dates through 2015. Lease expense for these items was \$25,001 and \$29,180 in 2015 and 2014, respectively.

There are no future minimum rental payments required under the above operating leases for the years ending December 31, 2015 or years thereafter.

The Organization leases space to several organizations under operating leases that have various expiration dates through 2019. Lease income for the years ended December 31, 2015 and 2014 was \$68,243 and \$41,259, respectively.

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

2016	\$	57,385
2017		9,350
2018		10,633
2019		3,667
		<hr/>
	\$	81,035
		<hr/> <hr/>

11. SUBSEQUENT EVENT

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

SUPPLEMENTARY INFORMATION



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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

Exhibit I

Page 1 of 2

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CURRENT ASSETS											
Cash	\$ 344,210	\$ 3,843	\$ 65,083	\$ 84,723	\$ 54,582	\$ 7,723	\$ 16,829	\$ 7,413	\$ 114,137	\$ -	\$ 698,543
Cash - restricted	28,692	351,469	109,303	-	41,609	-	87,672	116,188	242,835	-	977,768
Grant reimbursements receivable	955,511	-	-	-	-	-	-	-	-	-	955,511
United Way receivables	188,112	-	-	-	-	-	-	-	-	-	188,112
Related party receivables, net	6,490,245	-	162,316	-	-	109,590	159,596	-	1,621,088	(8,527,936)	14,899
Pledges receivable	-	-	-	-	-	-	-	-	-	-	-
Mortgage and notes receivable	533,000	-	-	-	-	-	-	-	-	-	533,000
Other receivables, net	2,258	9,303	1,032	-	7,027	7,870	9,277	1,578	-	-	38,345
Prepaid expenses	-	7,613	17,849	2,942	15,616	7,532	3,863	5,923	-	-	61,338
Investment in subsidiaries	3,886,431	-	-	-	-	-	-	-	-	(3,886,431)	-
Investments	102,887	-	-	-	-	-	-	-	-	-	102,887
Financing fees, net of accumulated amortization of \$51,575	-	56,344	-	-	55,220	-	16,403	17,020	875,000	(875,000)	144,987
<i>Total current assets</i>	<u>12,531,346</u>	<u>428,572</u>	<u>355,583</u>	<u>87,665</u>	<u>174,054</u>	<u>132,715</u>	<u>293,640</u>	<u>148,122</u>	<u>2,853,060</u>	<u>(13,289,367)</u>	<u>3,715,390</u>
INVESTMENTS	809,491	-	-	-	-	-	-	-	-	-	809,491
NOTE RECEIVABLE	10,320,338	-	-	-	-	-	-	-	-	-	10,320,338
PROPERTY AND EQUIPMENT, NET	617,463	384,185	3,969,885	599,830	1,056,918	4,304,550	2,952,703	3,721,506	10,275,469	(2,408,728)	25,473,781
<i>Total assets</i>	<u>\$ 24,278,638</u>	<u>\$ 812,757</u>	<u>\$ 4,325,468</u>	<u>\$ 687,495</u>	<u>\$ 1,230,972</u>	<u>\$ 4,437,265</u>	<u>\$ 3,246,343</u>	<u>\$ 3,869,628</u>	<u>\$ 13,128,529</u>	<u>\$ (15,698,095)</u>	<u>\$ 40,319,000</u>
CURRENT LIABILITIES											
Accounts payable	\$ 76,100	\$ 13,529	\$ 28,302	\$ 7,071	\$ 8,306	\$ 7,298	\$ 5,933	\$ 2,195	\$ 10	\$ -	\$ 148,744
Accrued payroll	75,998	-	-	-	-	-	-	-	-	-	75,998
Related party payables	667,541	19,501	62,223	519,992	315,084	863,220	274,073	631,217	6,617	(3,357,968)	1,500
Other payables and accrued expenses	1,706,069	15,702	61,092	-	18,161	-	314,734	1,156,947	52,213	(2,970,506)	354,412
Deferred revenue	916,404	1,216	-	-	-	-	18,373	71	-	(875,000)	61,064
Line of credit	235,000	-	-	-	-	-	-	-	-	-	235,000
Current maturities of notes and mortgages payable	8,659	17,510	308,838	-	23,129	-	8,681	-	-	(308,838)	57,979
<i>Total current liabilities</i>	<u>3,685,771</u>	<u>67,458</u>	<u>460,455</u>	<u>527,063</u>	<u>364,680</u>	<u>870,518</u>	<u>621,794</u>	<u>1,790,430</u>	<u>58,840</u>	<u>(7,512,312)</u>	<u>934,697</u>
LONG-TERM LIABILITIES											
Notes and mortgages payable, net of current portion	1,477,796	1,221,828	-	-	1,600,863	-	931,552	1,290,753	13,858,875	(1,953,993)	18,427,674
<i>Total liabilities</i>	<u>5,163,567</u>	<u>1,289,286</u>	<u>460,455</u>	<u>527,063</u>	<u>1,965,543</u>	<u>870,518</u>	<u>1,553,346</u>	<u>3,081,183</u>	<u>13,917,715</u>	<u>(9,466,305)</u>	<u>19,362,371</u>
NET ASSETS (ACCUMULATED DEFICIT)											
Unrestricted - Controlling interest	17,212,423	(827,256)	3,697,881	160,432	(828,689)	3,566,747	319,675	(113)	(789,125)	(6,231,790)	16,280,185
Minority interest in net assets	-	-	-	-	-	-	1,373,322	788,558	(61)	-	2,161,819
<i>Total unrestricted net assets (accumulated deficit)</i>	<u>17,212,423</u>	<u>(827,256)</u>	<u>3,697,881</u>	<u>160,432</u>	<u>(828,689)</u>	<u>3,566,747</u>	<u>1,692,997</u>	<u>788,445</u>	<u>(789,186)</u>	<u>(6,231,790)</u>	<u>18,442,004</u>
Temporarily restricted	1,902,648	350,727	167,132	-	94,118	-	-	-	-	-	2,514,625
<i>Total net assets (accumulated deficit)</i>	<u>19,115,071</u>	<u>(476,529)</u>	<u>3,865,013</u>	<u>160,432</u>	<u>(734,571)</u>	<u>3,566,747</u>	<u>1,692,997</u>	<u>788,445</u>	<u>(789,186)</u>	<u>(6,231,790)</u>	<u>20,956,629</u>
<i>Total liabilities and net assets (accumulated deficit)</i>	<u>\$ 24,278,638</u>	<u>\$ 812,757</u>	<u>\$ 4,325,468</u>	<u>\$ 687,495</u>	<u>\$ 1,230,972</u>	<u>\$ 4,437,265</u>	<u>\$ 3,246,343</u>	<u>\$ 3,869,628</u>	<u>\$ 13,128,529</u>	<u>\$ (15,698,095)</u>	<u>\$ 40,319,000</u>

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

	<u>SOCIAL SERVICES</u>	<u>NEW LIFE MANOR APARTMENTS</u>	<u>BONER PROPERTIES, LLC</u>	<u>JHBCC PROPERTIES, LLC</u>	<u>BYRNE COURT APARTMENTS</u>	<u>BROOKSIDE COMMERCIAL, LLC</u>	<u>BROOKSIDE APARTMENTS, LP</u>	<u>JEFFERSON APARTMENTS, LP</u>	<u>NEAR EAST SIDE LEGACY CENTER, LLC</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
CURRENT ASSETS											
Cash	\$ 1,298,868	\$ 12,393	\$ 52,946	\$ -	\$ 44,674	\$ 5,704	\$ 16,940	\$ 8,471	\$ 102,871	\$ -	\$ 1,542,867
Cash - restricted	68,491	374,178	144,325	-	33,053	-	80,360	109,939	350,524	-	1,160,870
Grant reimbursements receivable	572,667	-	-	-	-	-	-	-	-	-	572,667
United Way receivables	198,036	-	-	-	-	-	-	-	-	-	198,036
Related party receivables	5,736,590	-	198,987	-	-	55,082	116,060	-	1,237,266	(7,299,997)	43,988
Pledges receivable	1,208	-	-	-	-	-	-	-	-	-	1,208
Mortgage and notes receivable	500,000	-	-	-	-	-	-	-	-	-	500,000
Other receivables, net	8,961	6,983	40,734	-	8,818	3,035	11,908	1,291	-	-	81,730
Prepaid expenses	-	7,755	18,119	-	15,087	7,517	3,957	5,947	-	-	58,382
Investment in subsidiaries	4,229,429	-	-	-	-	-	-	-	-	(4,229,429)	-
Financing fees, net of accumulated amortization of \$43,998	-	52,387	-	-	57,240	-	18,260	18,877	906,250	(906,250)	146,764
<i>Total current assets</i>	12,614,250	453,696	455,111	-	158,872	71,338	247,485	144,525	2,596,911	(12,435,676)	4,306,512
NOTE RECEIVABLE	10,320,338	-	-	-	-	-	-	-	-	-	10,320,338
PROPERTY AND EQUIPMENT, NET	660,314	461,493	4,078,467	198,625	1,160,396	4,167,416	3,051,710	3,757,653	10,734,286	(2,408,728)	25,861,632
<i>Total assets</i>	<u>\$ 23,594,902</u>	<u>\$ 915,189</u>	<u>\$ 4,533,578</u>	<u>\$ 198,625</u>	<u>\$ 1,319,268</u>	<u>\$ 4,238,754</u>	<u>\$ 3,299,195</u>	<u>\$ 3,902,178</u>	<u>\$ 13,331,197</u>	<u>\$ (14,844,404)</u>	<u>\$ 40,488,482</u>
CURRENT LIABILITIES											
Accounts payable	\$ 109,517	\$ -	\$ 50,475	\$ -	\$ 4,299	\$ 12,950	\$ 11,057	\$ 1,794	\$ -	\$ -	\$ 190,092
Accrued payroll	175,832	-	-	-	-	-	-	-	-	-	175,832
Related party payables	2,380,651	25,520	90,367	19,992	272,220	316,059	274,073	514,042	6,617	(3,898,041)	1,500
Other payables and accrued expenses	172,840	20,989	56,757	-	18,237	-	276,855	926,951	41,601	(1,160,236)	353,994
Deferred revenue	928,085	1,457	-	-	-	-	6,958	44	-	(906,250)	30,294
Line of credit	552,000	-	-	-	-	-	-	-	-	-	552,000
Current maturities of notes and mortgages payable	-	16,452	379,238	-	21,067	-	8,828	-	-	(379,122)	46,463
<i>Total current liabilities</i>	4,318,925	64,418	576,837	19,992	315,823	329,009	577,771	1,442,831	48,218	(6,343,649)	1,350,175
LONG-TERM LIABILITIES											
Notes and mortgages payable, net of current portion	913,200	1,239,338	-	-	1,624,658	-	939,632	1,290,753	13,858,875	(1,954,109)	17,912,347
<i>Total liabilities</i>	5,232,125	1,303,756	576,837	19,992	1,940,481	329,009	1,517,403	2,733,584	13,907,093	(8,297,758)	19,262,522
NET ASSETS (ACCUMULATED DEFICIT)											
Unrestricted - Controlling interest	17,190,879	(762,745)	3,758,643	178,633	(701,818)	3,909,745	319,684	(75)	(575,734)	(6,546,646)	16,770,566
Minority interest in net assets	-	-	-	-	-	-	1,462,108	1,168,669	(162)	-	2,630,615
<i>Total unrestricted net assets (accumulated deficit)</i>	17,190,879	(762,745)	3,758,643	178,633	(701,818)	3,909,745	1,781,792	1,168,594	(575,896)	(6,546,646)	19,401,181
Temporarily restricted	1,171,898	374,178	198,098	-	80,605	-	-	-	-	-	1,824,779
<i>Total net assets (accumulated deficit)</i>	18,362,777	(388,567)	3,956,741	178,633	(621,213)	3,909,745	1,781,792	1,168,594	(575,896)	(6,546,646)	21,225,960
<i>Total liabilities and net assets (accumulated deficit)</i>	<u>\$ 23,594,902</u>	<u>\$ 915,189</u>	<u>\$ 4,533,578</u>	<u>\$ 198,625</u>	<u>\$ 1,319,268</u>	<u>\$ 4,238,754</u>	<u>\$ 3,299,195</u>	<u>\$ 3,902,178</u>	<u>\$ 13,331,197</u>	<u>\$ (14,844,404)</u>	<u>\$ 40,488,482</u>

See independent auditors' report on supplementary information.

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

	SOCIAL SERVICES		NEW LIFE MANOR APARTMENTS		BONER PROPERTIES, LLC		JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS		BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED		
REVENUE AND OTHER SUPPORT															
Direct Public Support															
Contributions	\$ 75,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,993
Special events, net of \$22,072 expense	99,337	-	-	-	-	-	-	-	-	-	-	-	-	-	99,337
<i>Total direct public support</i>	<u>175,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,330</u>
Indirect Public Support															
United Way															
Support funds	417,732	-	-	-	312	-	-	678	-	347	-	-	-	-	419,069
Donor option	7,588	-	-	-	-	-	-	-	-	-	-	-	-	-	7,588
Grants and awards	206,306	230,060	-	-	15,168	-	-	-	-	-	-	-	-	(17,538)	433,996
<i>Total indirect public support</i>	<u>631,626</u>	<u>230,060</u>	<u>-</u>	<u>-</u>	<u>15,480</u>	<u>-</u>	<u>-</u>	<u>678</u>	<u>-</u>	<u>347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,538)</u>	<u>860,653</u>
Fees and Grants from Government and Other Agencies	<u>7,663,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(621,243)</u>	<u>7,042,649</u>
Other Revenue															
Program service fees	217,573	-	-	-	-	-	-	-	-	-	-	-	-	-	217,573
Rent income and other charges	7,495	-	359,162	20,579	643,550	7,272	-	359,786	12,056	177,123	205,695	83,033	564,222	(722,402)	1,717,571
Investment income	367,403	-	373	-	-	-	-	66	-	-	-	-	737	(259,141)	109,438
Change in investment in subsidiary	(206,059)	-	-	-	-	-	-	-	-	-	-	-	-	206,059	-
Other revenue	661,210	-	2,749	-	16,880	-	-	-	-	8,020	13,193	3,374	-	(31,250)	674,176
In-kind	78,263	-	-	-	142,572	-	-	-	-	724	-	-	-	-	221,559
<i>Total other revenue</i>	<u>1,125,885</u>	<u>-</u>	<u>362,284</u>	<u>20,579</u>	<u>803,002</u>	<u>7,272</u>	<u>-</u>	<u>359,852</u>	<u>12,056</u>	<u>185,867</u>	<u>218,888</u>	<u>86,407</u>	<u>564,959</u>	<u>(806,734)</u>	<u>2,940,317</u>
Net Assets Released from Restrictions	<u>312,727</u>	<u>(312,727)</u>	<u>15,546</u>	<u>(15,546)</u>	<u>7,080</u>	<u>(7,080)</u>	<u>-</u>	<u>65</u>	<u>(65)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total revenue and other support</i>	<u>9,909,460</u>	<u>(82,667)</u>	<u>377,830</u>	<u>5,033</u>	<u>825,562</u>	<u>192</u>	<u>-</u>	<u>360,595</u>	<u>11,991</u>	<u>186,214</u>	<u>218,888</u>	<u>86,407</u>	<u>564,959</u>	<u>(1,445,515)</u>	<u>11,018,949</u>
EXPENSES															
Salaries and wages	2,630,279	-	77,046	-	111,161	-	-	60,391	-	39,236	31,997	14,031	-	(333,863)	2,630,278
Employee benefits	304,529	-	9,563	-	15,692	-	-	8,348	-	5,411	-	-	-	(48,165)	295,378
Payroll taxes	272,694	-	9,095	-	9,160	-	-	7,553	-	4,835	6,885	4,510	-	(35,768)	278,964
Specific assistance	5,008,033	-	-	-	-	-	-	15,998	-	-	-	-	-	(32,145)	4,991,886
Leasing costs	9,055	-	-	-	-	-	-	-	-	-	-	1,113	-	-	10,168
Professional fees	55,802	-	10,300	-	1,376	-	-	8,186	-	14,836	6,596	6,854	-	(10,139)	93,811
Professional fees - other service providers	133,410	-	20,300	-	36,313	-	-	11,341	-	4,900	12,014	5,480	15,505	(128,662)	110,601
Management fee	-	-	27,523	-	46,229	-	-	27,216	-	-	-	4,982	83,556	(189,506)	-
Supplies	120,447	-	41,718	-	971	-	-	427	-	5,739	4,271	132	-	-	173,705
Telephone	23,967	-	-	-	1,513	-	-	2,264	-	321	604	1,183	-	-	29,852
Postage and shipping	10,324	-	-	-	21	-	-	-	-	7	-	-	-	-	10,352
Occupancy - rental, utilities, and insurance	749,694	-	43,855	-	172,560	-	-	70,716	-	93,203	62,416	41,231	-	(558,376)	675,299
Occupancy - repairs, maintenance	218	-	24,636	-	101,509	-	-	14,950	-	-	13,242	17,777	-	-	172,332
Other repairs and maintenance	48,877	-	-	-	52,417	-	-	54,730	-	24,693	-	-	-	-	180,717
Conferences and meetings	36,023	-	91	-	976	-	-	592	-	59	-	-	-	-	37,741
Printing and publications	12,224	-	-	-	-	-	-	-	-	330	-	-	-	-	12,554
Travel and transportation	11,959	-	-	-	2,462	-	-	1,166	-	337	839	496	-	(4,443)	12,816
Contributions, dues, and awards	148,867	-	-	-	35	-	-	21	-	-	-	2,408	-	(19,938)	131,393
Activity fees and charges	7,323	-	16,147	-	-	-	-	-	-	-	-	-	-	-	23,470
Interest expense	32,562	-	84,618	-	14,807	-	-	103,178	-	-	50,346	209,048	127,710	(259,141)	363,128
Other expenses	24,249	-	4,762	-	16,635	-	23	10,485	-	13,347	30,413	16,260	10	-	116,184
In-kind	75,743	-	-	-	-	-	-	-	-	-	-	-	-	-	75,743
Bad debt expense	14,232	-	2,222	-	9,653	-	-	684	-	148	1,303	13,168	-	-	41,410
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	117,669	-	108,463	-	148,791	-	-	115,465	-	184,716	100,865	127,783	492,018	(31,250)	1,364,520
<i>Total expenses</i>	<u>9,848,180</u>	<u>-</u>	<u>480,339</u>	<u>-</u>	<u>742,281</u>	<u>-</u>	<u>23</u>	<u>513,711</u>	<u>-</u>	<u>392,118</u>	<u>321,791</u>	<u>466,456</u>	<u>718,799</u>	<u>(1,651,396)</u>	<u>11,832,302</u>
CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS	61,280	(82,667)	(102,509)	5,033	83,281	192	(23)	(153,116)	11,991	(205,904)	(102,903)	(380,049)	(153,840)	205,881	(813,353)
CAPITAL DISTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	(55,749)	55,749	-
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	<u>17,129,599</u>	<u>1,254,565</u>	<u>(660,236)</u>	<u>369,145</u>	<u>3,675,362</u>	<u>197,906</u>	<u>178,656</u>	<u>(548,702)</u>	<u>68,614</u>	<u>4,115,649</u>	<u>1,884,695</u>	<u>1,548,643</u>	<u>(366,307)</u>	<u>(6,808,276)</u>	<u>22,039,313</u>
NET ASSETS (ACCUMULATED DEFICIT), END OF YEAR	<u>\$ 17,190,879</u>	<u>\$ 1,171,898</u>	<u>\$ (762,745)</u>	<u>\$ 374,178</u>	<u>\$ 3,758,643</u>	<u>\$ 198,098</u>	<u>\$ 178,633</u>	<u>\$ (701,818)</u>	<u>\$ 80,605</u>	<u>\$ 3,909,745</u>	<u>\$ 1,781,792</u>	<u>\$ 1,168,594</u>	<u>\$ (575,896)</u>	<u>\$ (6,546,646)</u>	<u>\$ 21,225,960</u>

INCREASE (DECREASE) IN UNRESTRICTED CASH

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

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

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

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

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit III
Page 3 of 4

INCREASE (DECREASE) IN UNRESTRICTED CASH

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash received from organizations and others	\$ 8,544,048	\$ 373,436	\$ 598,389	\$ -	\$ 367,871	\$ 157,327	\$ 204,686	\$ 74,810	\$ 178,600	\$ 652,316	\$ 11,151,483
Cash paid to suppliers, employees, and others	(8,952,694)	(283,274)	(471,240)	-	(254,300)	(128,807)	(166,189)	(79,704)	(148,596)	(773,934)	(11,258,738)
Interest paid	(32,562)	(84,618)	(14,807)	-	(103,178)	-	(15,560)	-	(71,961)	259,141	(63,545)
Investment income received	367,403	373	-	-	66	-	-	-	737	(259,141)	109,438
<i>Net cash provided by (used in) operating activities</i>	<u>(73,805)</u>	<u>5,917</u>	<u>112,342</u>	<u>-</u>	<u>10,459</u>	<u>28,520</u>	<u>22,937</u>	<u>(4,894)</u>	<u>(41,220)</u>	<u>(121,618)</u>	<u>(61,362)</u>
CASH FLOWS FROM INVESTING ACTIVITIES											
Net deposits (to) from reserves	84,250	(2,591)	7,080	-	(8,813)	-	(9,181)	8,981	107,321	-	187,047
Acquisition of property and equipment	(244,454)	(27,598)	(40,985)	-	(5,055)	(26,758)	-	(3,049)	-	-	(347,899)
<i>Net cash provided by (used in) investing activities</i>	<u>(160,204)</u>	<u>(30,189)</u>	<u>(33,905)</u>	<u>-</u>	<u>(13,868)</u>	<u>(26,758)</u>	<u>(9,181)</u>	<u>5,932</u>	<u>107,321</u>	<u>-</u>	<u>(160,852)</u>
CASH FLOWS FROM FINANCING ACTIVITIES											
Net proceeds on line of credit	285,000	-	-	-	-	-	-	-	-	-	285,000
Borrowings (principal payments) on notes and mortgages payable	438,400	(15,457)	(70,400)	-	(20,422)	-	(7,798)	-	-	69,979	394,302
Net activity on mortgage and notes receivable	(495,890)	-	-	-	-	-	-	-	-	(4,110)	(500,000)
Distributions paid	-	-	-	-	-	-	-	-	(55,749)	55,749	-
<i>Net cash provided by (used in) financing activities</i>	<u>227,510</u>	<u>(15,457)</u>	<u>(70,400)</u>	<u>-</u>	<u>(20,422)</u>	<u>-</u>	<u>(7,798)</u>	<u>-</u>	<u>(55,749)</u>	<u>121,618</u>	<u>179,302</u>
NET INCREASE (DECREASE) IN CASH	(6,499)	(39,729)	8,037	-	(23,831)	1,762	5,958	1,038	10,352	-	(42,912)
UNRESTRICTED CASH, BEGINNING OF YEAR	1,305,367	52,122	44,909	-	68,505	3,942	10,982	7,433	92,519	-	1,585,779
UNRESTRICTED CASH, END OF YEAR	\$ 1,298,868	\$ 12,393	\$ 52,946	\$ -	\$ 44,674	\$ 5,704	\$ 16,940	\$ 8,471	\$ 102,871	\$ -	\$ 1,542,867
SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES											
Donated property and equipment	\$ -	\$ -	\$ 142,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,572

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

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	ELIMINATIONS	TOTAL
CHANGE IN NET ASSETS	<u>\$ (21,387)</u>	<u>\$ (97,476)</u>	<u>\$ 83,473</u>	<u>\$ (23)</u>	<u>\$ (141,125)</u>	<u>\$ (205,904)</u>	<u>\$ (102,903)</u>	<u>\$ (380,049)</u>	<u>\$ (153,840)</u>	<u>\$ 205,881</u>	<u>\$ (813,353)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES											
Depreciation and amortization	117,669	108,463	148,791	-	115,465	184,716	100,865	127,783	492,018	(31,250)	1,364,520
Donated goods, property, and equipment	-	-	(142,572)	-	-	-	-	-	-	-	(142,572)
Change in investment in subsidiary	206,059	-	-	-	-	-	-	-	-	(206,059)	-
<i>(Increase) decrease in operating assets:</i>											
Grant reimbursements receivable	(332,572)	-	-	-	-	-	-	-	-	-	(332,572)
United Way receivables	12,420	-	-	-	-	-	-	-	-	-	12,420
Related party receivables	(695,032)	-	101,053	-	-	(28,887)	(7,334)	-	(385,622)	1,006,866	(8,956)
Pledges receivable	500	-	-	-	-	-	-	-	-	-	500
Other receivables	(8,961)	(3,299)	(33,621)	-	(3,965)	-	(1,253)	5,190	-	-	(45,909)
Prepaid expenses	-	(271)	(308)	-	(291)	(29)	(83)	(23)	-	-	(1,005)
<i>Increase (decrease) in operating liabilities:</i>											
Accounts payable	2,361	(6,259)	3,887	-	(1,400)	(463)	(5,945)	(3,700)	(4,180)	-	(15,699)
Accrued payroll	(25,602)	-	-	-	-	-	-	-	-	-	(25,602)
Related party payables	772,178	3,298	(54,397)	23	42,056	79,087	-	39,725	-	(881,970)	-
Other payables and accrued expenses	(79,425)	4,994	6,036	-	(281)	-	43,902	209,799	10,404	(246,336)	(50,907)
Deferred revenue	(22,013)	(3,533)	-	-	-	-	(4,312)	(3,619)	-	31,250	(2,227)
<i>Total adjustments</i>	<u>(52,418)</u>	<u>103,393</u>	<u>28,869</u>	<u>23</u>	<u>151,584</u>	<u>234,424</u>	<u>125,840</u>	<u>375,155</u>	<u>112,620</u>	<u>(327,499)</u>	<u>751,991</u>
NET UNRESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (73,805)</u>	<u>\$ 5,917</u>	<u>\$ 112,342</u>	<u>\$ -</u>	<u>\$ 10,459</u>	<u>\$ 28,520</u>	<u>\$ 22,937</u>	<u>\$ (4,894)</u>	<u>\$ (41,220)</u>	<u>\$ (121,618)</u>	<u>\$ (61,362)</u>



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
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 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, 2015 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 27, 2016. Our report includes a reference to other auditors who audited the financial statements of New Life Manor, Inc., Brookside Apartments, LP, Jefferson Apartments, LP, and Near East Side Legacy Center, LLC, as described in our report on the Organization's consolidated financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greenwald CPAs, Inc.

June 27, 2016



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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
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 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, 2015. 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 \$1,535,236 in federal awards which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2015. The Organization's basic consolidated financial statements include the operations of Parish Place, Inc. d/b/a Byrne Court Apartments (Byrne), which received \$1,913,374 in federal awards for the year ended June 30, 2015 which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2015. Our compliance audit, described below, did not include the operations of NLM or Byrne because the entities engaged other auditors to perform audits in accordance with *Government Auditing Standards* and OMB *Compliance Supplement*.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred

to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

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.

Greenwald CPAs, Inc.

June 27, 2016

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
City of Indianapolis			
<i>Community Development Block Grant - Employment Service</i>	14.218	1300001897/1300001930	\$ 34,224
<i>Community Development Block Grant - Facility Rehabilitation</i>	14.218	1300002119/1300002186	521,429
<i>Community Development Block Grant - Public Service</i>	14.218	1300002093	<u>9,090</u>
			564,743
 <i>Emergency Solutions Grant Program</i>	 14.231	 1300001928	 10,441
 <i>Section 4 Capacity Building for Community Development and Affordable Housing</i>	 14.252	 43675-0040/43675-0041	 22,250
 <i>Shelter Plus Care - Continuum of Care Fund</i>	 14.267	 1300001611	 158,779
<i>Shelter Plus Care - Continuum of Care Fund</i>	14.267	1300002349	161,244
<i>Shelter Plus Care - Continuum of Care Fund</i>	14.267	1300001632	27,100
<i>Shelter Plus Care - Continuum of Care Fund</i>	14.267	1300002341	33,895
<i>Shelter Plus Care - Continuum of Care Fund</i>	14.267	1300001722	161,435
<i>Shelter Plus Care - Continuum of Care Fund</i>	14.267	1300002340	<u>28,413</u>
			570,866
NATIONAL CREDIT UNION ADMINISTRATION			
Greater Indianapolis Progress Committee			
<i>Community Development Revolving Loan Fund Program for Credit Unions</i>	44.002	15VITA0100	14,500
U.S. DEPARTMENT OF VETERANS AFFAIRS			
<i>Veterans State Adult Day Health Care</i>			
	64.026	N/A	19,162
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education			
<i>21st Century Community Learning Centers</i>	84.287	EDS#A58-5-15DL-2153	70,283
<i>21st Century Community Learning Centers</i>	84.287	EDS#A58-6-16DL-3089	87,239
<i>21st Century Community Learning Centers</i>	84.287	EDS#A58-6-16DL-3092	180,661
<i>21st Century Community Learning Centers</i>	84.287	EDS#A58-5-15DL-2118	<u>245,723</u>
			583,906
Indiana Department of Education			
<i>Indianapolis Public Schools - Title I</i>	84.389	51479624	32,238
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Central Indiana Council on Aging			
<i>Choice</i>	93.045	08-1314-0153/08-1516-0146 T-III-E-FY-2014/15-08/	4,474
<i>Elder Solutions</i>	93.045	T-III-E-2016-17-07	<u>46,642</u>
			51,116
Indiana Family and Social Services Administration			
<i>Elder Alternative Adult Day Care Center - Medicaid Waiver</i>	93.052	100108120A	131,568
United Way of Central Indiana, Inc.			
<i>Low-Income Home Energy Assistance Program</i>	93.568	LI-015-026/LI-016-027	4,281,580
Indiana Housing & Community Development Authority			
<i>Assets for Independence</i>	93.602	N/A	6,751
<i>Assets for Independence</i>	93.602	IDA-013-015	<u>3,210</u>
			9,961

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 <i>AmeriCorps - AARA</i>	94.006	EDS-C1-5-AF-4-884	\$ 103,475
Local Initiative Support Corporation <i>Social Innovation Fund</i>	94.019	10SIHNY001/43675-0039	95,241
<i>LISC National</i>	94.019	43675-0038	<u>74,614</u>
			169,855
U.S. DEPARTMENT OF HOMELAND SECURITY			
United Way Federal Emergency Management Agency <i>FEMA - Emergency Food and Shelter National Board Program</i>	97.024	272800-019	<u>19,037</u>
<i>Grand Total</i>			<u>\$ 6,584,698</u>

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, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center and BP, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center and BP.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Center and BP have elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND BONER PROPERTIES, LLC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

A. SUMMARY OF AUDIT RESULTS

- 1. Type of auditors' report issued on whether the consolidated financial statements were prepared in accordance with GAAP: Unmodified
- 2. Internal control over financial reporting:
 - Material weakness identified? yes no
 - Significant deficiency identified? yes none reported
- 3. Noncompliance material to financial statements noted? yes no
- 4. Internal control over major federal programs:
 - Material weakness identified? yes no
 - Significant deficiency identified? yes none reported
- 5. Type of auditor's report issued on compliance for major programs: Unmodified
- 6. Any audit findings disclosed that are required to be reported in accordance with with 2 CFR section 200.516(a)? yes no
- 7. Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant - Employment Service
14.218	Community Development Block Grant - Facility Rehabilitation
14.218	Community Development Block Grant - Public Service
14.267	Shelter Plus Care - Continuum of Care Fund
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? yes no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

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

None