



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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January 25, 2024

Board of Directors
King Park Development Corporation, Build Fund, LLC, and Edge Fund, LLC
Marion County, Indiana

We have reviewed the audit report of King Park Development Corporation, Build Fund, LLC, and Edge Fund, LLC, which was opined upon by Donovan CPAs, Independent Public Accountants, for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of King Park Development Corporation, Build Fund, LLC, and Edge Fund, LLC as of December 31, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Donovan CPAs prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC**

CONSOLIDATED FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended December 31, 2019 and 2018



TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities and Change in Net Assets.....	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows.....	6
Notes to the Consolidated Financial Statements.....	7 - 17
SUPPLEMENTARY INFORMATION	
Consolidated Schedule of Expenditures of Federal Awards	18
Notes to the Consolidated Schedule of Expenditures of Federal Awards	19
Consolidating Schedules of Financial Position.....	20 - 21
Consolidating Schedules of Activities and Change in Net Assets.....	22 - 23
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	24 - 25
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY <i>THE UNIFORM GUIDANCE</i>	26 - 27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	28



Donovan CPAs

Independent Auditors' Report

The Board of Directors
Renew Indianapolis, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of King Park Development Corporation, Build Fund, LLC, and Edge Fund, LLC, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the 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 conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors consider 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.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of King Park Development Corporation, Build Fund, LLC, and Edge Fund, LLC as of December 31, 2019 and 2018 and the consolidated changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Additionally, the accompanying consolidated schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit 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”), and is not a required part of the consolidated financial statements. Likewise, the consolidating schedules of financial position and activities and change in net assets on pages 19 through 22 are presented for purposes of additional analysis and are 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 supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2020 on our consideration of King Park Development Corporation’s, Build Fund, LLC’s, and Edge Fund, LLC’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 King Park Development Corporation’s, Build Fund, LLC’s, and Edge Fund, LLC’s internal control over financial reporting and compliance.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large, looped initial "D".

Indianapolis, Indiana
June 4, 2020

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 3,232,706	\$ 1,573,559
Cash - restricted	30,219	30,401
Receivables:		
Grants	214,614	166,742
Other	114,427	439,054
Prepaid expenses	14,884	11,859
Notes receivable - corporate, net of allowance	6,288,386	2,593,081
Notes receivable - personal	1,370,417	401,103
Investments in real estate	292,162	796,605
Rental real estate, net	592,182	618,796
Property and equipment, net	49,943	76,594
	<u>\$ 12,199,940</u>	<u>\$ 6,707,794</u>
TOTAL ASSETS	\$ 12,199,940	\$ 6,707,794
LIABILITIES AND NET ASSETS		
LIABILITIES		
Line of credit	\$ 150,711	\$ 325,884
Accounts payable	283,149	122,594
Accrued payroll and benefits	26,943	19,411
Notes payable	706,310	714,280
Less: unamortized debt issuance costs	(19,066)	(20,533)
Grant obligations payable	50,000	50,000
Security deposits	6,935	7,233
Refundable advances	204,825	241,003
	<u>1,409,807</u>	<u>1,459,872</u>
<i>Total liabilities</i>	<u>1,409,807</u>	<u>1,459,872</u>
NET ASSETS		
Without donor restrictions:		
Board-designated	703,220	193,352
Undesignated	9,969,869	5,022,671
With donor restrictions	117,044	31,899
	<u>10,790,133</u>	<u>5,247,922</u>
<i>Total net assets</i>	<u>10,790,133</u>	<u>5,247,922</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 12,199,940	\$ 6,707,794

See independent auditors' report and accompanying notes to the consolidated financial statements

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC**
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended December 31, 2019 and 2018

	2019			2018		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, SUPPORT, AND GAINS						
Federal awards	\$ 5,407,940	\$ 158,750	\$ 5,566,690	\$ 1,941,169	\$ 52,500	\$ 1,993,669
State and local grants	50,000	-	50,000	80,000	10,000	90,000
Rental income	97,815	-	97,815	100,116	-	100,116
Service fees	5,100	-	5,100	5,100	-	5,100
Origination fees	11,814	-	11,814	13,455	-	13,455
Contributions	25,254	-	25,254	123,258	-	123,258
Interest income from notes receivable	217,557	-	217,557	100,559	-	100,559
Other income	192,597	-	192,597	18,176	-	18,176
Sale of real estate:						
Proceeds from sale	1,784,750	-	1,784,750	1,491,900	-	1,491,900
Basis of property	<u>(1,191,808)</u>	<u>-</u>	<u>(1,191,808)</u>	<u>(1,434,567)</u>	<u>-</u>	<u>(1,434,567)</u>
<i>Gain on sale of real estate</i>	592,942	-	592,942	57,333	-	57,333
Net assets released from restrictions	<u>73,605</u>	<u>(73,605)</u>	<u>-</u>	<u>86,796</u>	<u>(86,796)</u>	<u>-</u>
<i>Total revenue, support, and gains</i>	<u>6,674,624</u>	<u>85,145</u>	<u>6,759,769</u>	<u>2,525,962</u>	<u>(24,296)</u>	<u>2,501,666</u>
FUNCTIONAL EXPENSES						
Program services	1,071,448	-	1,071,448	1,176,290	-	1,176,290
Management and general	<u>146,110</u>	<u>-</u>	<u>146,110</u>	<u>143,680</u>	<u>-</u>	<u>143,680</u>
<i>Total functional expenses</i>	<u>1,217,558</u>	<u>-</u>	<u>1,217,558</u>	<u>1,319,970</u>	<u>-</u>	<u>1,319,970</u>
CHANGE IN NET ASSETS	5,457,066	85,145	5,542,211	1,205,992	(24,296)	1,181,696
NET ASSETS						
Beginning of year	<u>5,216,023</u>	<u>31,899</u>	<u>5,247,922</u>	<u>4,010,031</u>	<u>56,195</u>	<u>4,066,226</u>
End of year	<u>\$ 10,673,089</u>	<u>\$ 117,044</u>	<u>\$ 10,790,133</u>	<u>\$ 5,216,023</u>	<u>\$ 31,899</u>	<u>\$ 5,247,922</u>

See independent auditors' report and accompanying notes to the consolidated financial statements

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2019 and 2018**

	2019			2018		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Payroll and related taxes	\$ 450,003	\$ 54,229	\$ 504,232	\$ 399,227	\$ 43,402	\$ 442,629
Professional fees	221,207	63,267	284,474	166,207	65,235	231,442
Insurance	72,016	12,163	84,179	82,675	23,426	106,101
Office expenses	59,751	2,718	62,469	55,053	4,698	59,751
Depreciation	46,602	9,106	55,708	49,293	1,811	51,104
Interest expense	49,080	-	49,080	52,595	-	52,595
Repairs and maintenance	33,363	116	33,479	30,541	510	31,051
Property development and rehabilitation	32,115	-	32,115	130,948	-	130,948
Retirement plan expenses	20,011	951	20,962	17,588	1,131	18,719
Equipment rental	17,246	882	18,128	10,026	985	11,011
Contributions	15,500	-	15,500	10,950	-	10,950
Consulting fees	11,702	904	12,606	20,376	-	20,376
Bank fees	8,952	10	8,962	1,827	-	1,827
Bad debt expense	6,454	-	6,454	118,897	-	118,897
Development and training	6,113	325	6,438	6,123	311	6,434
Utilities	5,866	-	5,866	5,261	-	5,261
Travel	4,336	-	4,336	7,606	-	7,606
Dues and subscriptions	3,971	52	4,023	2,484	-	2,484
Amortization	1,467	-	1,467	1,467	-	1,467
Advertising	-	1,048	1,048	-	22	22
Postage	330	26	356	470	37	507
Telephone	108	-	108	1,071	-	1,071
Property taxes	-	-	-	-	2,022	2,022
Other	5,255	313	5,568	5,605	90	5,695
<i>Total functional expenses</i>	<u>\$ 1,071,448</u>	<u>\$ 146,110</u>	<u>\$ 1,217,558</u>	<u>\$ 1,176,290</u>	<u>\$ 143,680</u>	<u>\$ 1,319,970</u>

See independent auditors' report and accompanying notes to the consolidated financial statements

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 5,542,211	\$ 1,181,696
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on sale of real estate	(592,942)	(57,333)
Depreciation	55,708	51,104
Amortization of debt issuance costs included in interest expense	1,467	1,467
Changes in certain assets and liabilities:		
Grants receivable	(47,872)	(64,032)
Other receivables	324,627	(191,353)
Prepaid expenses	(3,025)	(8,111)
Accounts payable	160,555	(130,864)
Accrued payroll and benefits	7,532	(19,359)
Security deposits	(298)	(4,967)
Refundable advances	(36,178)	190,628
	<u>5,411,785</u>	<u>948,876</u>
<i>Net cash provided by operating activities</i>		
	<u>5,411,785</u>	<u>948,876</u>
INVESTING ACTIVITIES		
Investments in residential and commercial land, buildings, and improvements, net of grant funding	(686,733)	(1,252,658)
Issuance of notes receivable - corporate, net of repayments	(3,695,305)	(460,545)
Issuance of notes receivable - personal, net of repayments	(969,314)	(401,103)
Purchases of property and equipment	(3,075)	(26,250)
Proceeds from sale of real estate	1,784,750	1,491,900
	<u>(3,569,677)</u>	<u>(648,656)</u>
<i>Net cash used in investing activities</i>		
	<u>(3,569,677)</u>	<u>(648,656)</u>
FINANCING ACTIVITIES		
Repayments of line of credit, net	(175,173)	(70,446)
Principal repayments of notes payable	(7,970)	(7,511)
	<u>(183,143)</u>	<u>(77,957)</u>
<i>Net cash used in financing activities</i>		
	<u>(183,143)</u>	<u>(77,957)</u>
NET INCREASE IN CASH	1,658,965	222,263
CASH, BEGINNING OF YEAR	<u>1,603,960</u>	<u>1,381,697</u>
CASH, END OF YEAR	<u>\$ 3,262,925</u>	<u>\$ 1,603,960</u>
CASH, END OF YEAR		
Cash - unrestricted	\$ 3,232,706	\$ 1,573,559
Cash - restricted	30,219	30,401
	<u>\$ 3,262,925</u>	<u>\$ 1,603,960</u>
<i>Total cash, end of year</i>		
	<u>\$ 3,262,925</u>	<u>\$ 1,603,960</u>
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	\$ 49,080	\$ 52,595

See independent auditors' report and accompanying notes to the consolidated financial statements

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – King Park Development Corporation (“King Park”) is a not-for-profit community development corporation serving Indianapolis, Indiana and is devoted to improving the quality of life in that community. Build Fund, LLC (“Build Fund”) is a single-member limited liability company established by King Park for the purpose of lending to businesses in Indianapolis designed to foster economic development. Edge Fund, LLC (“Edge Fund”) is a separate single-member limited liability company established by King Park for the purpose of lending to affordable housing projects in the Indianapolis area.

The companies listed above are collectively referred to as the “Organization” and all significant intercompany transactions and balances have been eliminated in consolidation.

Financial Statement Presentation – The Organization reports its financial position and activities according to two classes of net assets:

- Net assets without donor restrictions, which include unrestricted resources that are available for the operating objectives of the Organization; and
- Net assets with donor restrictions, which represent resources restricted by donors for specific time periods or purposes.

Consolidated Financial Statements – Build Fund and Edge Fund are variable interest entities of King Park. In accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), the balances and results of operations of all three entities are included in the accompanying consolidated financial statements.

Basis of Accounting and Use of Estimates – The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents – For the purposes of the consolidated statements of cash flows, the Organization considers all short-term highly-liquid assets with a maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at December 31, 2019 and 2018.

Grants Receivable – Grants receivable relate primarily to grant funding due from governmental agencies. The Organization believes all claims are within the terms of the grant agreements. As such, no allowance for doubtful accounts has been made in connection with grant programs.

Notes Receivable – Notes receivable represent loans provided by King Park, Build Fund, and Edge Fund to businesses and individuals in fulfillment of each entity’s purpose. The Organization regularly reviews notes receivable for collectability and records an allowance for doubtful accounts when balances are deemed potentially uncollectible. Notes receivable known to be uncollectible are written off directly.

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment – Purchases of capital assets and expenditures that materially increase the value or extend the useful lives are capitalized and are included in the accounts at cost. Donated assets are recorded at fair market value at the date received. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Estimated useful lives are as follows:

Rental properties	30 years
Leasehold improvements	8 years
Office equipment	5 to 10 years

Impairment of Long-Lived Assets – The Organization reviews long-lived assets, including its investments in real estate, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such an asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair market value. No such impairment is believed to exist as of December 31, 2019.

Taxes on Income – King Park has received a determination from the Internal Revenue Service stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Build Fund and Edge Fund are single-member limited liability companies with King Park as their sole members. For tax purposes, Build Fund and Edge Fund are disregarded entities covered by the 501(c)(3) designation of King Park, which qualifies them for treatment as tax-exempt organizations. Each entity would be subject to tax on income unrelated to its exempt purpose. For the years ended December 31, 2019 and 2018, no accounting for federal or state income taxes was required to be included in the accompanying consolidated financial statements.

Professional accounting standards require the Organization to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The Organization has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. The years ended after December 31, 2015 are open to audit for both federal and state purposes.

Reclassifications – Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net assets.

Subsequent Events – The Organization evaluated subsequent events through June 4, 2020, the date these consolidated financial statements were available to be issued. Any events occurring through this date have been evaluated to determine whether a change in the consolidated financial statements or related disclosures would be required.

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 2 - REVENUE RECOGNITION

Revenue Recognition Standard – Effective January 1, 2019, the Organization adopted Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 replaced previous revenue recognition guidance under accounting principles generally accepted in the United States of America and requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Revenue Recognition Policy – Contributions received and unconditional promises to give, including real estate donated for development, are measured at their fair values and are reported as an increase in net assets during the year in which they are awarded. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and change in net assets as net assets released from restrictions.

Revenues from cost reimbursement grants are recognized in an amount equal to costs and expenses during the year in which they are incurred. Revenues from sales of real estate are recognized at the date of sale, under the provision that all conditions of the sale are complete.

Disaggregation of Revenue – Revenue is disaggregated by category on the consolidated statements of activities and change in net assets.

Performance Obligations – Donations of property, contributions with donor restrictions, and contributions without donor restrictions are not considered exchange transactions and therefore are excluded from the requirements of ASU 2014-09. Grant revenue is recognized as the performance obligations under the grants are met, generally as allowable expenses are incurred and applied. Revenue from the sale of real estate is recognized as the performance obligation of transfer of title occurs at the time of closing of the sale of real estate.

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 3 - INVESTMENTS IN REAL ESTATE

King Park purchases and receives donations of vacant lots and distressed properties, primarily from the City of Indianapolis. For donated properties, King Park is typically responsible only for closing costs and title fees. The properties are designated to be developed or renovated for sale to individuals qualified as low-to-moderate income. Such investments in real estate consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Residential land and buildings, held for resale	\$ 292,162	\$ 746,821
Commercial land and buildings, held for resale	<u>-</u>	<u>49,784</u>
	<u>\$ 292,162</u>	<u>\$ 796,605</u>

NOTE 4 - RENTAL PROPERTIES

King Park converts certain real estate investments into rental properties when it is unable to sell those properties. Rental properties consisted of 14 housing units and were comprised of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 75,000	\$ 75,000
Buildings and improvements	798,422	798,422
Less: accumulated depreciation	<u>(281,240)</u>	<u>(254,626)</u>
	<u>\$ 592,182</u>	<u>\$ 618,796</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 28,957	\$ 28,957
Office equipment	90,780	93,343
Less: accumulated depreciation	<u>(69,794)</u>	<u>(45,706)</u>
<i>Property and equipment, net</i>	<u>\$ 49,943</u>	<u>\$ 76,594</u>

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 6 - NOTES RECEIVABLE

Prior to the establishment of Build Fund, King Park extended a loan to one corporate entity. Since that initial loan, all other corporate lending for economic development purposes has been conducted through Build Fund. In 2018, the Organization established Edge Fund for the purpose of affordable housing lending for both personal and corporate borrowers. A summary of the notes receivable is presented below as of December 31:

2019	<u>Number of Notes Outstanding</u>	<u>Balances of Notes Outstanding</u>	<u>Interest Rate Range</u>	<u>Maturity Date Range</u>
<i>Notes receivable - corporate</i>				
King Park	1	\$72,000	2.0%	Nov. 2020
Build Fund	10	\$49,000 - \$750,000	4.0% - 6.5%	Dec. 2021 - Dec. 2030
Edge Fund	1	\$3,187,000	3.0%	Sept. 2021
<i>Notes receivable - personal</i>				
Edge Fund	7	\$174,000 - \$201,000	.6% - 3.1%	Jan. 2049 - Jan. 2050
2018				
<i>Notes receivable - corporate</i>				
King Park	1	\$76,000	2.0%	Nov. 2020
Build Fund	10	\$35,000 - \$524,000	4.0% - 6.5%	Aug. 2020 - Dec. 2030
<i>Notes receivable - personal</i>				
Edge Fund	2	\$200,000 - \$201,000	1.6% - 3.1%	Jan. 2049 - Feb. 2049

Management individually reviews all notes receivable balances periodically and, based on an assessment of current creditworthiness estimates the portion, if any, of the balance that will not be collected. Build Fund has recorded an allowance for doubtful accounts of approximately \$123,000 pertaining to a defaulted equipment loan due from a borrower in bankruptcy. All other notes receivable are considered by management to be fully collectible.

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 7 - REFUNDABLE ADVANCES

Build Fund was awarded grants to provide loans to businesses in Indianapolis designed to foster economic development. Edge Fund was awarded grants to provide loans to individuals and businesses to create and preserve affordable single- and multi-family housing. The grants are considered exchange transactions. Accordingly, revenue is recognized as grant requirements are fulfilled. The Organization had refundable advances of \$204,825 and \$241,003 as of December 31, 2019 and 2018, respectively, representing grant receipts in excess of loans made and related costs.

NOTE 8 - NOTES PAYABLE

Notes payable consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Note payable to IFF; secured by a mortgage on property. The note accrues interest at 5.95% per annum, and requires monthly payment of principal and interest in the amount of \$3,578. The note matures in October 2032, and any unpaid principal and interest on the maturity date is due in full.	\$ 583,310	\$ 591,280
Note payable to Local Initiatives Support Corporation; secured by real estate on the North Broadway Street property. The note bears no interest, and requires monthly payments of \$683 as available cash flow permits. The note matures in September 2032. A portion of this note was forgiven in 2017.	<u>123,000</u>	<u>123,000</u>
	<u>\$ 706,310</u>	<u>\$ 714,280</u>

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

2020	\$ 8,457
2021	8,974
2022	9,523
2023	10,105
2024	10,723
Thereafter	<u>658,528</u>
	<u>\$ 706,310</u>

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 9 - DEBT ISSUANCE COSTS SUBJECT TO AMORTIZATION

In 2017, King Park incurred debt issuance costs of \$22,000 associated with the acquisition of the note payable to IFF. These debt issuance costs are amortized over the life of the related note payable. Amortization expense of \$1,467 is included with interest expense on the consolidated statements of activities and change in net assets for the years ended December 31, 2019 and 2018.

NOTE 10 - LINE OF CREDIT

Build Fund has a \$1,200,000 revolving line of credit with a commercial bank maturing April 2022. Drawings against the line of credit bear interest at the 30-day LIBOR rate plus 3% (a total of 4.7% at December 31, 2019) and are secured by the underlying notes receivable Build Fund issues to other organizations with the funds obtained from this line of credit. The balance outstanding under the line of credit was \$150,711 and \$325,884 as of December 31, 2019 and 2018, respectively.

NOTE 11 - GRANT FUNDING

Grant funding was received from the following sources for the years ended December 31:

	<u>2019</u>	<u>2018</u>
FEDERAL PASS-THROUGH AWARDS		
City of Indianapolis	\$ 1,631,368	\$ 1,154,558
Indiana Housing and Community Development	<u>3,498,756</u>	<u>143,300</u>
	<u>5,130,124</u>	<u>1,297,858</u>
FEDERAL DIRECT AWARDS		
Department of Health and Human Services	37,188	586,439
Department of Treasury	<u>399,378</u>	<u>109,372</u>
	<u>436,566</u>	<u>695,811</u>
STATE AND LOCAL GRANTS		
Indianapolis Neighborhood Housing Partnership	50,000	80,000
Merchants Bank	<u>-</u>	<u>10,000</u>
	<u>50,000</u>	<u>90,000</u>
<i>Total grant funding</i>	<u>\$ 5,616,690</u>	<u>\$ 2,083,669</u>

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 12 - NET ASSETS

Net assets with donor restrictions were available for the following purpose as of December 31:

	<u>2019</u>	<u>2018</u>
Technical assistance	\$ 101,192	\$ -
Financial assistance (loan fund)	<u>15,852</u>	<u>31,899</u>
	<u>\$ 117,044</u>	<u>\$ 31,899</u>

Net assets without donor restrictions includes a Board-designated balances of \$703,220 and \$193,352 as of December 31, 2019 and 2018, respectively. Net assets without donor restrictions were Board-designated for the following purposes as of December 31:

	<u>2019</u>	<u>2018</u>
Unanticipated budget shortfalls	\$ 450,000	\$ 61,822
Unanticipated loan losses	<u>253,220</u>	<u>131,530</u>
	<u>\$ 703,220</u>	<u>\$ 193,352</u>

NOTE 13 - RISKS AND UNCERTAINTIES

King Park is engaged in the business of residential real estate development, sale, and rental in Indianapolis, Indiana, and is subject to risks associated with this industry and geographic area, including socio-economic factors, interest rates, and availability and cost of materials. Build Fund and Edge Fund are engaged in the business of lending to corporate entities and individuals and are subject to the risk of loss due to defaulted loans.

Each consolidated entity is also reliant on funding and resources from government-sponsored programs. Changes in such programs and/or levels of funding could significantly affect the Organization's operations. In addition, the Organization is subject to monitoring by local, state, and federal agencies. Those examinations could result in additional liability to be imposed.

NOTE 14 - LEASES

The Organization leases office space in one building in Indianapolis under two leases totaling \$3,380 per month through December 2020, and annual cost of living increases thereafter expiring December 2026.

The Organization also leased a copier for \$280 per month through June 2019, and then \$314 per month through June 2022.

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 14 – LEASES, Continued

Future minimum lease payments under these leases are as follows for the years ending December 31:

2020	\$ 44,327
2021	45,666
2022	44,784
2023	43,913
2024	44,959
Thereafter	68,599

NOTE 15 - FUNCTIONAL EXPENSE REPORTING

The costs of providing the community services have been summarized on a functional basis in the consolidated statements of activities and change in net assets. Accordingly, certain expenses have been allocated between programs services and management and general expenses.

Management allocates costs among the various functional expense categories using a combination of direct allocation and estimation. Payroll and associated costs are allocated based on employee time records. Other costs are either applied directly to the functional expense category they belong to or allocated using an appropriate basis (generally payroll percentages).

NOTE 16 - LIQUIDITY

The Organization's financial assets include cash, cash - restricted, grants receivable, other receivables, and notes receivable. Following is a schedule of financial assets available for general use within one year as of December 31:

	<u>King Park</u>	<u>Build Fund</u>	<u>Edge Fund</u>	<u>Consolidated</u>
Financial assets at December 31, 2019	\$ 1,704,793	\$ 4,511,424	\$ 5,034,552	\$ 11,250,769
Less: donor restrictions for specific purposes	-	(15,852)	(101,192)	(117,044)
Less: notes receivable unlikely to be available for general expenditures within one year	(72,097)	(3,029,275)	(4,557,431)	(7,658,803)
Less: restrictions due to Board-designation	<u>(200,000)</u>	<u>(307,610)</u>	<u>(195,610)</u>	<u>(703,220)</u>
<i>Financial assets available for general use within one year</i>	<u>\$ 1,432,696</u>	<u>\$ 1,158,687</u>	<u>\$ 180,319</u>	<u>\$ 2,771,702</u>

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 16 - LIQUIDITY, Continued

Financial assets at December 31, 2018	\$	597,706	\$	3,946,045	\$	660,189	\$	5,203,940
Less: donor restrictions for specific purposes		-		(31,899)		-		(31,899)
Less: notes receivable unlikely to be available for general expenditures within one year		(75,644)		(2,517,437)		(401,103)		(2,994,184)
Less: restrictions due to Board-designation		<u>-</u>		<u>(193,352)</u>		<u>-</u>		<u>(193,352)</u>
<i>Financial assets available for general use within one year</i>	\$	<u>522,062</u>	\$	<u>1,203,357</u>	\$	<u>259,086</u>	\$	<u>1,984,505</u>

The consolidated entities are separated for legal and regulatory purposes, however, all three entities are governed and operated collectively as one organization. Liquidity is transferrable between entities at the discretion of management and approval of the Board of Directors. As of December 31, 2019, the Organization has approximately \$2,772,000 in financial assets available for general use within one year, which represents approximately 830 days cash on hand considering consolidated total expenses incurred during the year ended December 31, 2019. In addition, Build Fund has a \$1,200,000 line of credit, of which approximately \$1,049,000 of borrowing capacity existed as of December 31, 2019.

Donor restrictions are tracked in separate funds, with adequate cash available to cover restrictions. The Board-designated net assets are available at the Board of Directors' discretion to undesignate for general use.

NOTE 17 - CONTINGENCIES

The Organization has a pending legal claim related to financing for the Gramse Apartments. The claim concerns various claims brought by plaintiffs seeking damages for alleged breach of contract and indemnification for amounts allegedly paid to BMO Harris Bank on account of certain commercial guarantees, wherein the Organization was the principle borrower and the plaintiffs were guarantors for financing. A claim was filed on December 2, 2019 by the plaintiffs against the Organization alleging breach of contract damages and unspecified damages on account of the guarantees. The accompanying financial statements do not reflect any liability related to this situation.

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018**

NOTE 18 - SUBSEQUENT EVENT

Effective January 1, 2020, the Organization merged operations with Renew Indianapolis, Inc., a land bank in central Indiana. The merged entity includes employees and Board members of both King Park and Renew Indianapolis, Inc. as well as the accounts and operations of both entities. The surviving entity retained the name Renew Indianapolis, Inc.

SUPPLEMENTARY INFORMATION

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019**

<u>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Awards Expended</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/Entitlement Grants			
Pass-Through City of Indianapolis			
Home Ownership Development	14.218	POI300003707	\$ 630,000
Home Ownership Development	14.218	POI300003061	58,620
Economic Development	14.218	POI300003214	35,108
Economic Development	14.218	POI300004232	750,000
Home Investment Partnerships Program	14.239	POI1300004517	142,003
Home Investment Partnerships Program	14.239	POI1300004516	<u>15,637</u>
<i>Total for pass-through City of Indianapolis</i>			1,631,368
Community Development Block Grants/State's Program			
Pass-Through Indiana Housing and Community Development Authority			
Rental Housing	14.228	DR1-IPSH_RLF-2017	<u>3,498,756</u>
<i>Total for federal grantor agency</i>			<u>5,130,124</u>
U.S. DEPARTMENT OF TREASURY			
Community Development Financial Institutions Program	21.020	171FA021707	272,527
Community Development Financial Institutions Program	21.020	191FA052946	17,898
Community Development Financial Institutions Program	21.020	191TA053030	<u>23,808</u>
<i>Total for federal grantor agency</i>			<u>314,233</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Community Services Block Grants/Discretionary Awards			
Community Economic Development and Rural Community Facilities Program	93.570	90EE1175-01-01	<u>37,188</u>
<i>Total federal awards expended</i>			<u><u>\$ 5,481,545</u></u>

See independent auditors' report and accompanying notes to this consolidated schedule

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
NOTES TO THE CONSOLIDATED SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019**

NOTE 1 - BASIS OF PRESENTATION

The accompanying consolidated schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of King Park Development Corporation, Build Fund, LLC, and Edge Fund, LLC (collectively, the “Organization”) 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 (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 Organization, it is not intended to and does not present the financial position, changes in net assets, functional expense, or cash flows of the Organization.

NOTE 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. Pass-through entity identifying numbers are presented, where available.

NOTE 3 - INDIRECT COST RATE

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2019**

	<u>King Park</u>	<u>Build Fund</u>	<u>Edge Fund</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Cash	1,330,411.00	\$ 1,475,174	\$ 427,121	\$ -	\$ 3,232,706
Cash - restricted	30,219.00	-	-	-	30,219
Receivables:					
Grants	157,639.00	6,975	50,000	-	214,614
Other	246,895.00	500,000	499,206	(1,131,674) *	114,427
Prepaid expenses	12,910	1,974	-	-	14,884
Notes receivable - corporate, net of allowance	72,097.00	3,029,275	3,187,014	-	6,288,386
Notes receivable - personal	-	-	1,370,417	-	1,370,417
Investments in real estate	292,162	-	-	-	292,162
Investment in Edge Fund, LLC	1,000,000	-	-	(1,000,000) *	-
Rental real estate, net	592,182	-	-	-	592,182
Property and equipment, net	27,929	13,125	8,889	-	49,943
TOTAL ASSETS	<u>\$ 3,762,444</u>	<u>\$ 5,026,523</u>	<u>\$ 5,542,647</u>	<u>\$ (2,131,674)</u>	<u>\$ 12,199,940</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Line of credit	\$ -	\$ 150,711	\$ -	\$ -	\$ 150,711
Accounts payable	782,355	132,468	-	(631,674) *	283,149
Accrued payroll and benefits	26,943	-	-	-	26,943
Notes payable	706,310	-	500,000	(500,000) *	706,310
Less: unamortized debt issuance costs	(19,066)	-	-	-	(19,066)
Grant obligations payable	50,000	-	-	-	50,000
Security deposits	6,935	-	-	-	6,935
Refundable advances	-	191,625	13,200	-	204,825
<i>Total liabilities</i>	<u>1,553,477</u>	<u>474,804</u>	<u>513,200</u>	<u>(1,131,674)</u>	<u>1,409,807</u>
NET ASSETS					
Contributed funds - KPDC	-	-	1,000,000	(1,000,000) *	-
Without donor restrictions:					
Board-designated	200,000	307,610	195,610	-	703,220
Undesignated	2,008,967	4,228,257	3,732,645	-	9,969,869
With donor restrictions	-	15,852	101,192	-	117,044
<i>Total net assets</i>	<u>2,208,967</u>	<u>4,551,719</u>	<u>5,029,447</u>	<u>(1,000,000)</u>	<u>10,790,133</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,762,444</u>	<u>\$ 5,026,523</u>	<u>\$ 5,542,647</u>	<u>\$ (2,131,674)</u>	<u>\$ 12,199,940</u>

* Eliminations represent the amounts owed between the consolidated entities.

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2018**

	<u>King Park</u>	<u>Build Fund</u>	<u>Edge Fund</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Cash	\$ 52,607	\$ 1,297,781	\$ 223,171	\$ -	\$ 1,573,559
Cash - restricted	30,401	-	-	-	30,401
Receivables:					
Grants	-	130,827	35,915	-	166,742
Other	618,039	205,000	252,000	(635,985) *	439,054
Prepaid expenses	10,059	1,800	-	-	11,859
Notes receivable - corporate	75,644	2,517,437	-	-	2,593,081
Notes receivable - personal	-	-	401,103	-	401,103
Investments in real estate	796,605	-	-	-	796,605
Investment in Edge Fund, LLC	430,000	-	-	(430,000) *	-
Rental real estate, net	618,796	-	-	-	618,796
Property and equipment, net	38,214	22,824	15,556	-	76,594
TOTAL ASSETS	<u>\$ 2,670,365</u>	<u>\$ 4,175,669</u>	<u>\$ 927,745</u>	<u>\$ (1,065,985)</u>	<u>\$ 6,707,794</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Line of credit	\$ -	\$ 325,884	\$ -	\$ -	\$ 325,884
Accounts payable	370,044	11,024	172,511	(430,985) *	122,594
Accrued payroll and benefits	19,411	-	-	-	19,411
Notes payable	714,280	-	205,000	(205,000) *	714,280
Less: unamortized debt issuance costs	(20,533)	-	-	-	(20,533)
Grant obligations payable	50,000	-	-	-	50,000
Security deposits	7,233	-	-	-	7,233
Refundable advances	-	241,003	-	-	241,003
<i>Total liabilities</i>	<u>1,140,435</u>	<u>577,911</u>	<u>377,511</u>	<u>(635,985)</u>	<u>1,459,872</u>
NET ASSETS					
Contributed funds - KPDC	-	-	430,000	(430,000) *	-
Without donor restrictions:					
Board-designated	# -	193,352	-	-	193,352
Undesignated	1,529,930	3,372,507	120,234	-	5,022,671
With donor restrictions	-	31,899	-	-	31,899
<i>Total net assets</i>	<u>1,529,930</u>	<u>3,597,758</u>	<u>550,234</u>	<u>(430,000)</u>	<u>5,247,922</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,670,365</u>	<u>\$ 4,175,669</u>	<u>\$ 927,745</u>	<u>\$ (1,065,985)</u>	<u>\$ 6,707,794</u>

* Eliminations represent the amounts owed between the consolidated entities.

See independent auditors' report

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2019**

	<u>King Park</u>		<u>Build Fund</u>		<u>Edge Fund</u>			<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
REVENUES, SUPPORT, AND GAINS								
Federal awards	\$ 216,260	\$ 1,062,924	\$ 33,750	\$ 1,096,674	\$ 4,128,756	\$ 125,000	\$ 4,253,756	\$ 5,566,690
State and local grants	50,000	-	-	-	-	-	-	50,000
Rental income	97,815	-	-	-	-	-	-	97,815
Service fees	5,100	-	-	-	-	-	-	5,100
Origination fees	-	9,764	-	9,764	2,050	-	2,050	11,814
Contributions	25,254	-	-	-	-	-	-	25,254
Interest income from notes receivable	12,498	161,336	-	161,336	43,723	-	43,723	217,557
Other income	166,600	20,584	-	20,584	5,413	-	5,413	192,597
Sale of real estate:								
Proceeds from sale	1,784,750	-	-	-	-	-	-	1,784,750
Basis of property	(1,191,808)	-	-	-	-	-	-	(1,191,808)
<i>Gain on sale of real estate</i>	592,942	-	-	-	-	-	-	592,942
Net assets released from restrictions	-	49,797	(49,797)	-	23,808	(23,808)	-	-
<i>Total revenues, support, and gains</i>	<u>1,166,469</u>	<u>1,304,405</u>	<u>(16,047)</u>	<u>1,288,358</u>	<u>4,203,750</u>	<u>101,192</u>	<u>4,304,942</u>	<u>6,759,769</u>
FUNCTIONAL EXPENSES								
Program services	366,502	323,791	-	323,791	381,155	-	381,155	1,071,448
Management and general	120,930	10,606	-	10,606	14,574	-	14,574	146,110
<i>Total functional expenses</i>	<u>487,432</u>	<u>334,397</u>	<u>-</u>	<u>334,397</u>	<u>395,729</u>	<u>-</u>	<u>395,729</u>	<u>1,217,558</u>
CHANGE IN NET ASSETS	679,037	970,008	(16,047)	953,961	3,808,021	101,192	3,909,213	5,542,211
NET ASSETS								
Beginning of year	1,529,930	3,565,859	31,899	3,597,758	120,234	-	120,234	5,247,922
End of year	<u>\$ 2,208,967</u>	<u>\$ 4,535,867</u>	<u>\$ 15,852</u>	<u>\$ 4,551,719</u>	<u>\$ 3,928,255</u>	<u>\$ 101,192</u>	<u>\$ 4,029,447</u>	<u>\$ 10,790,133</u>

See independent auditors' report

**KING PARK DEVELOPMENT CORPORATION,
BUILD FUND, LLC, and EDGE FUND, LLC**
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2018

	<u>King Park</u>	<u>Build Fund</u>			<u>Edge Fund</u>	<u>Total</u>
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	
REVENUES, SUPPORT, AND GAINS						
Federal awards	\$ 255,735	\$ 1,290,134	\$ 52,500	\$ 1,342,634	\$ 395,300	\$ 1,993,669
State and local grants	80,000	-	10,000	10,000	-	90,000
Rental income	100,116	-	-	-	-	100,116
Service fees	5,100	-	-	-	-	5,100
Origination fees	-	11,405	-	11,405	2,050	13,455
Contributions	123,258	-	-	-	-	123,258
Interest income from notes receivable	1,559	96,776	-	96,776	2,224	100,559
Other income	776	17,400	-	17,400	-	18,176
Sale of real estate:						
Proceeds from sale	1,491,900	-	-	-	-	1,491,900
Basis of property	(1,434,567)	-	-	-	-	(1,434,567)
<i>Gain on sale of real estate</i>	57,333	-	-	-	-	57,333
Net assets released from restrictions	-	86,796	(86,796)	-	-	-
<i>Total revenues, support, and gains</i>	623,877	1,502,511	(24,296)	1,478,215	399,574	2,501,666
FUNCTIONAL EXPENSES						
Program services	488,664	418,650	-	418,650	268,976	1,176,290
Management and general	122,166	11,150	-	11,150	10,364	143,680
<i>Total functional expenses</i>	610,830	429,800	-	429,800	279,340	1,319,970
CHANGE IN NET ASSETS	13,047	1,072,711	(24,296)	1,048,415	120,234	1,181,696
NET ASSETS						
Beginning of year	1,516,883	2,493,148	56,195	2,549,343	-	4,066,226
End of year	\$ 1,529,930	\$ 3,565,859	\$ 31,899	\$ 3,597,758	\$ 120,234	\$ 5,247,922

See independent auditors' report



Donovan CPAs

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Renew Indianapolis, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of King Park Development Corporation, Build Fund, LLC, and Edge Fund, LLC (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 4, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of 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.

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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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

DONOVAN

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Indianapolis, Indiana

June 4, 2020



Donovan CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

The Board of Directors
Renew Indianapolis, Inc.

Report on Compliance for Each Major Federal Program

We have audited King Park Development Corporation's, Build Fund, LLC's, and Edge Fund, LLC's (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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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; and the audit 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). 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 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.

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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.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large, prominent "D".

Indianapolis, Indiana
June 4, 2020

**KING PARK DEVELOPMENT CORPORATION,
 BUILD FUND, LLC, and EDGE FUND, LLC
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year ended December 31, 2019**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/ State's Program

Dollar threshold use to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

II. Financial Statement Findings

No matters are reportable.

III. Federal Award Findings and Questioned Costs

No matters are reportable.