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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)


May 11, 2021

Board of Directors  
LaCasa of Goshen, Inc.  
d/b/a LaCasa, Inc.  
202 North Cottage Avenue  
Goshen, IN 46528

We have reviewed the audit report of LaCasa of Goshen, Inc., d/b/a LaCasa, Inc., which was opined upon by Dauby O'Connor & Zaleski, LLC, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of LaCasa of Goshen, Inc., d/b/a LaCasa, Inc. as of December 31, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Dauby O'Connor & Zaleski, LLC 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.

  
Paul D. Joyce, CPA  
State Examiner

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**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED DECEMBER 31, 2020 AND 2019**

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**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

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**Dauby O'Connor & Zaleski, LLC**

A Limited Liability Company

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
LaCasa, Inc. and Subsidiaries  
(An Indiana Not-for-Profit Corporation)

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of LaCasa, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LaCasa, Inc. and Subsidiaries as of December 31, 2020 and 2019, 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.

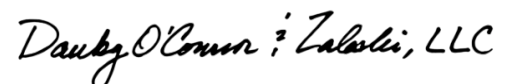
## Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 34 to 41 are presented for purposes of additional analysis, and are not a required part of the financial statements. 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 of Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The accompanying supplementary information - Supplemental Schedule of financial position NeighborWorks America shown on page 53 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic 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 April 1, 2021, on our consideration of LaCasa, Inc. and Subsidiaries' 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 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 LaCasa, Inc. and Subsidiaries' internal control over financial reporting and compliance.



Dauby O'Connor & Zaleski, LLC  
Certified Public Accountants

April 1, 2021  
Carmel, Indiana

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b>Current assets</b>		
Cash and cash equivalents		
Cash	\$ 1,516,604	\$ 892,232
Resident security deposits	110,879	108,451
Reserve for replacements	676,631	859,979
Operating reserves	970,325	1,495,013
<b>Total cash and cash equivalents</b>	<b>3,274,439</b>	<b>3,355,675</b>
Accounts receivable - residential and commercial, net	22,484	26,898
Accounts and notes receivable - operations	181,314	352,299
Investments - properties for resale	22,685	46,390
Prepaid expenses	41,065	62,938
Current portion of mortgages receivable	51,594	51,584
<b>Total current assets</b>	<b>3,593,581</b>	<b>3,895,784</b>
<b>Restricted deposits and funded reserves</b>		
Cash - IDA funds	673,606	707,144
<b>Property and equipment</b>		
Land	385,198	385,198
Buildings and land improvements	41,419,281	38,012,059
Furniture and equipment	848,095	844,835
Office furniture and equipment	830,096	548,240
Vehicles	1,163	1,163
Construction in progress	700,645	1,944,373
	44,184,478	41,735,868
Less: Accumulated depreciation	(16,744,390)	(15,390,230)
<b>Total property and equipment</b>	<b>27,440,088</b>	<b>26,345,638</b>
<b>Other assets</b>		
Investments - entity	13,447	13,939
Unamortized costs, net	37,463	41,513
Mortgages receivable, net of current portion	952,944	1,005,982
Investments - CFEC	95,538	86,144
<b>Total other assets</b>	<b>1,099,392</b>	<b>1,147,578</b>
	<b>\$ 32,806,667</b>	<b>\$ 32,096,144</b>

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
DECEMBER 31, 2020 AND 2019**

**LIABILITIES AND NET ASSETS**

	<u>2020</u>	<u>2019</u>
<b>Current liabilities</b>		
Accounts payable	\$ 174,397	\$ 558,434
Accrued expenses and other payables	191,757	130,711
Current portion of accrued interest	1,930	1,389
Accrued real estate taxes	20,904	20,402
Prepaid revenue	13,120	7,391
Current portion of mortgage notes and notes payable	242,088	321,290
<b>Total current liabilities</b>	<b><u>644,196</u></b>	<b><u>1,039,617</u></b>
<b>Deposit liabilities</b>		
Resident security deposits	183,648	174,184
IDA funds held	147,025	128,202
<b>Total deposit liabilities</b>	<b><u>330,673</u></b>	<b><u>302,386</u></b>
<b>Long term liabilities</b>		
Development fee payable	268,185	268,185
Lines of credit	494,513	200,000
Notes payable - entity, net of current portion	465,000	465,000
Notes payable, net of current portion	1,388,895	1,405,453
Mortgage notes payable - first mortgages, net of current portion	2,584,941	2,350,705
PPP Loan	324,000	-
Less: Unamortized debt issuance costs, net	(9,136)	(11,794)
Notes payable - Elkhart County Housing Fund	922,602	963,665
Accrued interest, net of current portion	85,469	71,031
<b>Total long term liabilities</b>	<b><u>6,524,469</u></b>	<b><u>5,712,245</u></b>
<b>Total liabilities</b>	<b><u>7,499,338</u></b>	<b><u>7,054,248</u></b>
<b>Net Assets</b>		
Without donor restrictions	18,714,099	16,820,802
With donor restrictions	532,469	980,083
Non-controlling interest	6,060,761	7,241,011
<b>Total net assets</b>	<b><u>25,307,329</u></b>	<b><u>25,041,896</u></b>
	<b><u>\$ 32,806,667</u></b>	<b><u>\$ 32,096,144</u></b>

See notes to financial statements

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue</b>			
Rental income, net of vacancy and concessions	\$ 2,381,347	\$ -	\$ 2,381,347
Fees for services	479,164	-	479,164
Grant income	2,487,188	-	2,487,188
Donations income	496,259	-	496,259
Donated labor and assets	10,050	-	10,050
Interest income	18,595	-	18,595
Change in beneficial interest	9,394	-	9,394
Other income	95,427	-	95,427
Satisfaction of program restrictions	447,614	(447,614)	-
<b>Total revenue</b>	<b>6,425,038</b>	<b>(447,614)</b>	<b>5,977,424</b>
<b>Expenses</b>			
<b>Program expenses</b>			
Asset and property management	3,588,283	-	3,588,283
Community building and organizing	79,972	-	79,972
Home ownership center	688,794	-	688,794
Real estate development	488,568	-	488,568
Resident services	137,036	-	137,036
<b>Total program expenses</b>	<b>4,982,653</b>	<b>-</b>	<b>4,982,653</b>
<b>Supporting services</b>			
Development	236,788	-	236,788
Management and general	492,550	-	492,550
<b>Total supporting services</b>	<b>729,338</b>	<b>-</b>	<b>729,338</b>
<b>Total expenses</b>	<b>5,711,991</b>	<b>-</b>	<b>5,711,991</b>
<b>Changes in net assets</b>	<b>\$ 713,047</b>	<b>\$ (447,614)</b>	<b>\$ 265,433</b>
Non-controlling interest in net losses of subsidiaries	1,180,250	-	1,180,250
<b>Changes in net assets excluding non-controlling interest</b>	<b>\$ 1,893,297</b>	<b>\$ (447,614)</b>	<b>\$ 1,445,683</b>

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue</b>			
Rental income, net of vacancy and concessions	\$ 2,236,270	\$ -	\$ 2,236,270
Fees for services	817,894	-	817,894
Grant income	2,610,861	-	2,610,861
Donations income	438,684	93,709	532,393
Donated labor and assets	51,668	-	51,668
Interest income	25,111	-	25,111
Change in beneficial interest	3,477	-	3,477
Other income	57,215	-	57,215
Satisfaction of program restrictions	163,802	(163,802)	-
<b>Total revenue</b>	<b>6,404,982</b>	<b>(70,093)</b>	<b>6,334,889</b>
<b>Expenses</b>			
<b>Program expenses</b>			
Asset and property management	3,605,325	-	3,605,325
Community building and organizing	77,857	-	77,857
Home ownership center	526,423	-	526,423
Real estate development	394,787	-	394,787
Resident services	138,936	-	138,936
<b>Total program expenses</b>	<b>4,743,328</b>	<b>-</b>	<b>4,743,328</b>
<b>Supporting services</b>			
Development	296,825	-	296,825
Management and general	488,498	-	488,498
<b>Total supporting services</b>	<b>785,323</b>	<b>-</b>	<b>785,323</b>
<b>Total expenses</b>	<b>5,528,651</b>	<b>-</b>	<b>5,528,651</b>
<b>Changes in net assets</b>	<b>\$ 876,331</b>	<b>\$ (70,093)</b>	<b>\$ 806,238</b>
Non-controlling interest in net losses of subsidiaries	1,250,198	-	1,250,198
<b>Changes in net assets excluding non-controlling interest</b>	<b>\$ 2,126,529</b>	<b>\$ (70,093)</b>	<b>\$ 2,056,436</b>

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>WITHOUT DONOR RESTRICTIONS</u>		<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
	<u>Controlled interest</u>	<u>Non-controlling interest</u>		
<b>Net assets, January 1, 2019</b>	<b>\$ 14,694,273</b>	<b>\$ 8,491,209</b>	<b>\$ 1,050,176</b>	<b>\$ 24,235,658</b>
Changes in net assets	<u>2,126,529</u>	<u>(1,250,198)</u>	<u>(70,093)</u>	<u>806,238</u>
<b>Net assets, December 31, 2019</b>	<b>16,820,802</b>	<b>7,241,011</b>	<b>980,083</b>	<b>25,041,896</b>
Changes in net assets	<u>1,893,297</u>	<u>(1,180,250)</u>	<u>(447,614)</u>	<u>265,433</u>
<b>Net assets, December 31, 2020</b>	<b><u>\$ 18,714,099</u></b>	<b><u>\$ 6,060,761</u></b>	<b><u>\$ 532,469</u></b>	<b><u>\$ 25,307,329</u></b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flow from operating activities</b>		
Changes in net assets	\$ 265,433	\$ 806,238
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,416,630	1,449,098
Amortization of debt issuance costs	2,658	2,925
Amortization	4,050	4,050
Change in beneficial interest	(9,394)	(3,477)
(Gain) Loss on sale of property and equipment	(103,884)	30,334
(Gain) Loss on sale of investments - properties for sale	-	(68,777)
Change in assets and liabilities:		
Cash - IDA funds	33,538	(40)
Accounts receivable - residents and commercial, net	4,414	79,156
Accounts and notes receivable - operations	170,985	(127,802)
Prepaid expenses	21,873	(8,966)
Accounts payable	35,323	16,542
IDA funds held	18,823	(75,363)
Accrued expenses and other payables	61,046	4,294
Accrued interest	14,979	13,516
Accrued real estate taxes	502	647
Prepaid revenue	5,729	1,157
Resident security deposits	9,464	(4,136)
<b>Net cash provided by (used in) operating activities</b>	<b><u>1,952,169</u></b>	<b><u>2,119,396</u></b>
<b>Cash flow from investing activities</b>		
Mortgages receivable	53,028	167,661
Purchase of property and equipment	(2,927,457)	(2,220,140)
Proceeds from sale of property and equipment	134,000	208,900
Purchase of investments - properties for resale	-	(132,039)
Sale of investments - properties for resale	-	215,000
Investments - entity	492	469
Investments - ECCF	(9,394)	(3,477)
<b>Net cash provided by (used in) investing activities</b>	<b><u>(2,749,331)</u></b>	<b><u>(1,763,626)</u></b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flow from financing activities</b>		
Proceeds from lines of credit	\$ 467,846	\$ 25,000
Payments on lines of credit	(173,333)	-
Proceeds from notes payable	-	70,000
Payments on notes payable	(263,231)	(25,735)
Proceeds from mortgage notes payable	445,000	405,731
Payments on mortgage notes payable	(41,667)	(80,940)
Proceeds from PPP Loan	324,000	-
Payments on notes payable - Elkhart County Housing Fund	(42,689)	(161,555)
<b>Net cash provided by (used in) financing activities</b>	<u><b>715,926</b></u>	<u><b>232,501</b></u>
<b>Change in cash and cash equivalents</b>	<b>(81,236)</b>	<b>588,271</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>3,355,675</b></u>	<u><b>2,767,404</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><u><b>\$ 3,274,439</b></u></u>	<u><u><b>\$ 3,355,675</b></u></u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	<u><u><b>\$ 156,063</b></u></u>	<u><u><b>\$ 145,455</b></u></u>

**Supplemental information:**

Cash flows from investing activities related to the purchase of property and equipment for the year ended December 31, 2020 includes \$454,033, which was included in accounts payable at December 31, 2019 and excludes \$34,673, which is included in accounts payable at December 31, 2020.

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

LaCasa, Inc. was formed as a Not-For-Profit Corporation under the laws of the State of Indiana on February 26, 1970. The mission of the organization is to work "...in partnership with individuals and community partners to create opportunity for personal empowerment, family stability and neighborhood vitality." This mission is carried out through the following lines of business: 1) real estate development, 2) asset and property management, 3) financial empowerment, 4) immigration services and 5) community building and engagement. LaCasa, Inc. utilizes a variety of city, county, state and federal grants, as well as private fundraising and program service revenues to fund these activities.

**Real Estate Development**

This line of business directs all real estate acquisition and development activities including single and multi-family construction and rehabilitation, owner-occupied rehabilitation and support for property maintenance activities.

**Asset and Property Management**

As of December 31, 2020, LaCasa, Inc. and Subsidiaries owned and operated 350 units of affordable rental housing and related commercial space. 199 of those units were owned directly by LaCasa, Inc., and the remaining 151 units were owned by the limited partnerships further described below. The LaCasa, Inc.-owned units include a 72-unit multi-family project known as Arbor Ridge Apartments, 33 units of Permanent Supportive Housing, two 10-unit multi-family residential buildings, one 6-unit multi-family building, one 5-unit multifamily building, 34 scattered-site rental units and 7 units of commercial space. All housing and commercial units are located in Elkhart County, Indiana. The Permanent Supportive Housing is operated in collaboration with Oaklawn, the community mental health center who provides case management and other supportive services for tenants in those units. Commercial units are primarily leased to other social service agencies who utilize the space to provide services to their clients.

**Residential housing and commercial space**

The consolidated financial statements include the transactions and accounts of LaCasa, Inc. and its wholly owned subsidiaries; LaCasa WTP Development Corporation, Lincoln Avenue Housing Corporation, LaCasa RC Development Corporation, LaCasa HAEP Development Corporation, and LaCasa Real Estate Holdings, LLC (collectively, "LaCasa") and also Elkhart Senior Housing, LP ("Water Tower Place Apartments"), Lincoln Avenue Redevelopment, LP ("Lincoln Avenue"), Roosevelt Center, LP ("Roosevelt Center"), and Hawks Arts & Enterprise Center, LP ("Hawks") (collectively, the "Subsidiaries") which are reported collectively as LaCasa, Inc. and Subsidiaries (the "Corporation").

LaCasa WTP Development Corporation, a wholly owned subsidiary of LaCasa, Inc., was formed to own a general partnership interest in Elkhart Senior Housing, LP.

Lincoln Avenue Housing Corporation, a wholly owned subsidiary of LaCasa, Inc., was formed to own a general partnership interest in Lincoln Avenue Redevelopment, LP.

LaCasa RC Development Corporation, a wholly owned subsidiary of LaCasa, Inc., was formed to own a general partnership interest in Roosevelt Center, LP.

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Residential housing and commercial space (continued)**

LaCasa HAEP Development Corporation, a wholly owned subsidiary of LaCasa, Inc., was formed to own a general partnership interest in Hawks Arts & Enterprise Center, LP.

LaCasa Real Estate Holdings, LLC, a wholly owned subsidiary of LaCasa, Inc., was formed to participate in the Indiana Housing and Community Development Authority Blight Elimination Program ("BEP") to acquire and demolish blighted residential structures and facilitate an end use of newly vacant residential lots.

Water Tower Place Apartments was formed as a limited partnership under the laws of the State of Indiana on October 5, 2006 for the purpose of constructing, developing, improving, maintaining, operating, and leasing a 52-unit affordable senior housing property located in Elkhart, Indiana. Pursuant to the terms of the partnership agreement, the general partner is LaCasa WTP Development Corporation, a wholly owned subsidiary of LaCasa, Inc., having a 0.1% ownership and the limited partner is Ohio Equity Fund for Housing Limited Partnership XVI having a 99.9% ownership. The term of the partnership shall extend until December 31, 2046, unless sooner terminated as provided in the partnership agreement. WTP Apartments qualifies for the low-income housing tax credit in accordance with Section 42 of the Internal Revenue Code ("LIHTC") and has entered into extended use agreements and loan agreements which govern the operation of the property and restricts the persons eligible to reside at the property.

Lincoln Avenue was formed as a limited partnership under the laws of the State of Indiana on August 11, 2006 for the purpose of constructing, developing, improving, maintaining, operating, and leasing a 28-unit affordable housing property and one commercial space located in Goshen, Indiana. Pursuant to the terms of the partnership agreement, the general partner is Lincoln Avenue Housing Corporation, a wholly owned subsidiary of LaCasa, Inc., having a 0.01% ownership and the limited partners are Great Lakes Capital Fund for Housing Limited Partnership XV and Great Lakes Capital Fund for Housing 5/3 Fund I Limited Partnership having a 99.99% ownership. The term of the partnership shall extend until December 31, 2056, unless sooner terminated as provided in the partnership agreement. Lincoln Avenue qualifies for the ("LIHTC") and has entered into extended use agreements and loan agreements which govern the operation of the property and restricts the persons eligible to reside at the property.

Roosevelt Center was formed as a limited partnership under the laws of the State of Indiana on August 13, 2007 for the purpose of constructing, developing, improving, maintaining, operating, and leasing a 35-unit affordable housing property located in Elkhart, Indiana. Pursuant to the terms of the partnership agreement, the general partner is LaCasa RC Development Corporation, a wholly owned subsidiary of LaCasa, Inc., having a 0.01% ownership and the limited partner is GL-Roosevelt Center Elkhart LLC having a 99.99% ownership. The term of the partnership shall extend until December 31, 2057, unless sooner terminated as provided in the partnership agreement. Roosevelt Center qualifies for the ("LIHTC") and has entered into extended use agreements and loan agreements which govern the operation of the property and restricts the persons eligible to reside at the property.

**LACASA, INC. AND SUBSIDIARIES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Residential housing and commercial space (continued)**

Hawks was formed as a limited partnership under the laws of the State of Indiana on March 20, 2013 for the purpose of constructing, developing, improving, maintaining, operating, and leasing a 35-unit affordable housing property located in Goshen, Indiana. Pursuant to the terms of the partnership agreement, the general partner is LaCasa HAEP Development Corporation, a wholly owned subsidiary of LaCasa, Inc., having a 0.01% ownership and the limited partner is Great Lakes Capital Fund for Housing Limited Partnership XXVII having a 99.99% ownership. The term of the partnership shall extend until December 31, 2112, unless sooner terminated as provided in the partnership agreement. Hawks qualifies for the ("LIHTC") and has entered into extended use agreements and loan agreements which govern the operation of the property and restricts the persons eligible to reside at the property.

**Home Ownership Center**

This line of business, serving six counties in north-central Indiana, provides pre- and post-home ownership counseling and training, administers Individual Development Accounts (matched savings accounts), and delivers a variety of other financial empowerment services.

**Resident Services**

This line of business provides a variety of immigration and translation services for clients in north-central Indiana. Delivered by a U.S. Citizenship and Immigration Services ("USCIS")-certified counselor, services specialize in family-based petitions as well as citizenship and some humanitarian processes.

**Community Building and Organizing**

This line of business provides a variety of leadership development and support services to neighborhood and tenant associations in Goshen and Elkhart, Indiana. Staff assist with the development of neighborhood associations and training for neighborhood leaders, while promoting the appreciation of diversity within neighborhoods.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial reporting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The primary intent of the financial statements is for the U.S. Office of Management and Budget. The accounts of the Corporation are maintained, and the consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred. In addition, the consolidated financial statements are in conformity with the provisions required by the Not-for-Profit Entities Presentation of Financial Statements topic of the Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC") 958-205. This statement established standards for external financial reporting for Not-for-Profit Organizations.

**LACASA, INC. AND SUBSIDIARIES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Financial reporting (continued)**

The Not-for-Profit Entities Presentation of Financial Statements topic of the FASB ASC primarily affects the display of the financial statements and requires that the amounts for each of two classes of net assets - with or without donor restrictions be displayed in an aggregate statement of financial position and the amounts of change in each of those classes of net assets be displayed in a statement of changes in net assets. Assets held by the Corporation at December 31, 2020 and 2019 are classified as with donor restrictions (See Note 14) or without donor restrictions (See Note 16).

**Consolidation**

In accordance with FASB ASC 810-10, the consolidated financial statements include the accounts of LaCasa and its wholly owned partnerships, after elimination of all material intercompany accounts, transactions, and profits.

The financial statements also consolidate the assets, liabilities, and activities of LaCasa and various limited partnerships for which a wholly owned subsidiary of LaCasa, as the general partner, has a controlling financial and legal interest (see Note 1). All significant intercompany transactions have been eliminated in the consolidation.

**New accounting pronouncements**

In February 2016, FASB issued Accounting Standards Update ("ASU") 2016-02, Leases, which once implemented will result in lessees recognizing most leased assets and corresponding lease liabilities on the Balance Sheets. The standard is effective for year-ends beginning after December 15, 2021 and early adoption is permitted. The lease standard is not expected to have a material impact on the financial statements.

**Cash**

For the consolidated statements of cash flows, all unrestricted investments are cash. At December 31, 2020 and 2019, cash consists of unrestricted checking accounts, savings accounts and petty cash.

**Resident and commercial tenant receivable and bad debt policy**

Resident and commercial tenant rent charges for the current month are due on the first of the month. Resident and commercial tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Resident and commercial tenant receivables consist of amounts due for rents, damages and cleaning fees. The Corporation does not accrue interest on the resident or commercial receivables.

**LACASA, INC. AND SUBSIDIARIES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Resident and commercial tenant receivable and bad debt policy (continued)**

Management periodically reviews resident and commercial tenant receivables and uses an allowance for doubtful accounts to recognize bad debts. Resident and commercial tenant receivable on the consolidated statements of financial position is shown net of the allowance for doubtful accounts, which totaled \$43,538 and \$25,736 at December 31, 2020 and 2019, respectively. Bad debts included in asset and property management in the consolidated statements of activities expensed for the years ended December 31, 2020 and 2019 totaled \$43,768 and \$21,475, respectively.

**Investments - properties for resale**

The real estate held for resale is recorded at cost less a valuation allowance after consideration of level 3 inputs within the fair value hierarchy, further described below.

**Other receivables and bad debt policy**

Mortgages receivable are carried at amounts contractually due, less an allowance for doubtful accounts. Grants receivable consists of formal commitments to provide funding. Pledges receivable consists of written promises to give by donors. Development fees receivable consists of amounts due from related entities for construction development when earned per the development fee agreement and is eliminated in consolidation. The Corporation does not accrue interest on these receivable balances.

Management periodically reviews mortgages, grants, pledges, and development fees receivable and uses an allowance for doubtful accounts to recognize bad debts. Mortgages, grants, pledges, and development fee receivables on the consolidated statements of financial position is shown net of the allowance for doubtful accounts, which totaled \$11,633 and \$8,336 at December 31, 2020 and 2019, respectively. Recovery of bad debt included in the Home Ownership Center in the consolidated statements of activities for the years ended December 31, 2020 and 2019 totaled \$-0- and \$1,390, respectively. Bad debts included in Home Ownership Center in the consolidated statements of activities expensed for the years ended December 31, 2020 and 2019 totaled \$3,297 and \$-0-, respectively.

**Notes receivable**

Notes receivable are carried at amounts contractually due, less an allowance for doubtful accounts. The Corporation accrues interest on the note receivable balances.

Management periodically reviews note receivables and uses an allowance for doubtful accounts to recognize bad debts. Notes receivable on the consolidated statements of financial position is shown net of the allowance for doubtful accounts. There were no bad debts expensed for the years ended December 31, 2020 and 2019. There is no allowance for doubtful accounts as of December 31, 2020 and 2019.

**LACASA, INC. AND SUBSIDIARIES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Property and equipment**

Land, buildings and land improvements, and furniture and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the costs of depreciable assets to operations over their estimated service lives of 7-40 years using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expense for the years ended December 31, 2020 and 2019 was \$1,416,630 and \$1,324,051, respectively.

The Corporation is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the FASB ASC 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Corporation's consolidated financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment loss was recognized during the years ended December 31, 2020 and 2019.

**Debt issuance costs**

The Corporation is subject to the provisions of the Interest-Imputation of Interest topic of the FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended December 31, 2020 and 2019.

**Donated assets**

Donations of property and equipment and other assets are recorded as revenue at their estimated fair value at the date of donation. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment and other assets are reported as with donor restrictions. Absent donor stipulations regarding how long these donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**Compensated absences**

Employees of the Corporation are entitled to paid vacation and paid sick days depending on length of service and other factors. At December 31, 2020 and 2019 accrued compensated absences were \$84,246 and \$54,227, respectively, and are included in accrued expenses and other payables on the consolidated statements of financial position.

**LACASA, INC. AND SUBSIDIARIES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Rental income**

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Corporation or relevant subsidiary and the residents are operating leases and will be for terms of no longer than one year. The Corporation also receives rent under commercial leases of terms from one to ten years, some of which provide for increasing noncancelable lease payments. Generally accepted accounting principles require such revenue be recognized over the term of the lease using the straight-line method, when realization is reasonably assured and management follows this method for most leases. However, when the difference in revenue recognition is not material to the consolidated financial statements, management recognizes rental income from commercial leases as payments are due for these leases.

**Grant income**

Grants that the Corporation receives from various government and nongovernmental agencies may have long-term compliance requirements. As management intends to fulfill the compliance requirements as part of their mission, those amounts are recognized as revenue in the period the grants funds were spent for their intended use.

**Contributions and donations**

Contributions and donations, including unconditional promises to give, are recognized in the period received or made, in accordance with FASB ASC 958-605 under the Revenue Recognition of Contributions Receivable topic.

**Donated labor and assets**

In accordance with FASB ASC 958-605, in-kind services are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Corporation. In addition, the Corporation receives donated services from unpaid volunteers that are essential to the completion of the Corporation's purposes. During the years ended December 31, 2020 and 2019, the Corporation received \$10,050 and \$51,668 of in-kind contributions included in donated labor and assets on the consolidated statements of activities, respectively.

**Developer fee revenue**

LaCasa earns developer fees primarily for orchestrating the financing and construction of low and moderate income housing, generally in its capacity as general partner or managing member of various real estate partnerships and limited liability companies. Fees are recognized based on completion of various phases of the property representing its performance obligations, as specified in the respective agreements. Certain fees are deferred and payable from the properties' future available operating cash flow. Generally accepted accounting principles require that an allowance should be established to reserve against balances determined to be uncollectible. However, the receivable balances are eliminated as intercompany transactions, and the difference is considered to not be material to the consolidated financial statements.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Beneficial interest in assets**

The Corporation records periodic distributions of income and realizes changes in the market value of its beneficial interest as gains (losses) in the consolidated statements of activities.

**Advertising costs**

Advertising costs are expensed as incurred and are included in asset and property management in the consolidated statements of activities.

**Property taxes**

The Corporation is exempt from some, but not all, real property taxes. For those properties that are required to pay property taxes, such taxes are expensed in the year of the lien on the property such that twelve months of expense are charged to operations each year.

**Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon direct expenditures incurred or based upon time spent in the activities. For the years ended December 31, 2020 and 2019, fundraising costs were insignificant to the consolidated financial statements as a whole.

**Concentration**

The Corporation maintains various cash balances with various regional and national financial institutions. The balances in the accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2020 and 2019, the cash balances held at some of these financial institutions exceeded the FDIC insurance limit. The Corporation has not experienced any losses in such accounts. Management believes that LaCasa is not exposed to any significant credit risk on cash and cash equivalents.

The Corporation's operations are concentrated in the multifamily real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the respective agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, if any, to comply with a change.

The Corporation has received grants from various government and nongovernmental agencies. The grants are contingent on periodic budget approvals, tax levies, and annual appropriations. At December 31, 2020 and 2019, the grants without donor restrictions were 42% and 41% of total revenue, respectively. At December 31, 2020 and 2019, approximately 43% and 74% of the Corporation's total net accounts receivable balance related to grants, respectively.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Use of estimates in the preparation of consolidated financial statements**

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

**Fair value**

The Corporation is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability and establishes the following fair value hierarchy:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Quoted prices for similar assets or liabilities in active markets
- Level 3 - Unobservable inputs for the asset or liability based on the best available information

For instances in which the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

**Accounting for uncertainty in income taxes**

LaCasa is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax and has been classified as other than a private foundation. Accordingly, no provision for federal and state taxes on revenue and income has been recognized in the accompanying financial statements. Generally, the Federal and State tax returns are subject to examinations from the three years after the later of the original or extended due date or the date filed with the applicable tax authority.

Even though LaCasa is recognized as tax exempt, it still may be liable for tax on its unrelated business income ("UBI"). LaCasa evaluates uncertain tax positions through its review of the sources of income to identify UBI and certain other matters, including those which may affect its tax exempt status. The effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of December 31, 2020 and 2019, LaCasa had no uncertain tax positions requiring accrual.

**LACASA, INC. AND SUBSIDIARIES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Accounting for uncertainty in income taxes (continued)**

The Subsidiaries are treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by their owners on their respective income tax returns. These entities' federal tax statuses as pass-through entities are based on their legal status as limited partnerships and limited liability companies. Accordingly, these entities are not required to take any tax positions in order to qualify as pass-through entities. These entities are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and these entities have no other tax positions which they must consider for disclosure. There has been no interest or penalties recognized in the consolidated statements of activities or consolidated statements of financial position for the years ended December 31, 2020 and 2019. Generally, the federal and state returns are subject to examination for three years after the later of the original or extended due date or the date filed with the applicable tax authorities.

**Subsequent events**

Management performed an evaluation of the Corporation's activity through April 1, 2021, the audit report date, and has concluded that there were no significant subsequent events requiring disclosure through the date these consolidated financial statements were available to be issued.

**NOTE 2-PLEDGES RECEIVABLE**

During the year ended December 31, 2017, the Corporation initiated a fundraising campaign to finance the implementation of its strategic plan. Known as the "Impact Fund," the goal is to raise \$1.2 million in private and public monies to develop new programming, initiate new development projects and improve organizational capacity. As of December 31, 2020 and 2019, pledges receivable designated for the Impact Fund were \$100 and \$71,640, respectively, and included in accounts and notes receivable - operations on the accompanying consolidated statements of financial position. As of the date of this report, the Corporation has received a total of \$567,405 in cash and pledges.

**NOTE 3-CASH-IDA FUNDS**

Cash-IDA Funds consists of cash designated to be used to assist low income individuals and families for the purchase of homes, pay for education costs or start up a business. Individual contributions are matched with grant funds. At December 31, 2020 and 2019, match funds held for individuals and families are included in the consolidated statements of financial position as IDA Funds held in the amount of \$673,606 and \$707,144, respectively.

**LACASA, INC. AND SUBSIDIARIES**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 4-RESTRICTED DEPOSITS AND FUNDED RESERVES**

Various operating and loan agreements require the establishment of restricted deposits and funded reserves, including reserve for replacements, operating reserves, or resident security deposits, which must be maintained in separate interest bearing accounts. At December 31, 2020 and 2019, the balance of restricted deposits and funded reserves is \$1,646,956 and \$2,354,992 and the balance of the deposits held in trust-funded is \$110,879 and \$108,451, respectively.

**NOTE 5-PROPERTIES FOR RESALE**

Properties held for sale consists of the following:

	<u>2020</u>	<u>2019</u>
Held for future development	\$ 112,765	\$ 136,470
Currently in development	<u>38,530</u>	<u>38,530</u>
Total properties held for resale	151,295	175,000
Valuation allowance	<u>( 128,610)</u>	<u>( 128,610)</u>
Net properties held for resale	<u><b>\$ 22,685</b></u>	<u><b>\$ 46,390</b></u>

The properties held for resale are recorded at cost less a valuation allowance. The eventual sales proceeds from these properties may be less than the carrying value of the property.

The reconciliation of the changes in properties held for resale measured on a recurring basis using significant unobservable inputs (level 3) is as follows:

	<u>2020</u>	<u>2019</u>
January 1	\$ 46,390	\$ 128,071
Transfer to rental property and CIP	<u>( 23,705)</u>	<u>( 81,681)</u>
December 31	<u><b>\$ 22,685</b></u>	<u><b>\$ 46,390</b></u>

**NOTE 6-CONSTRUCTION IN PROGRESS**

As of December 31, 2020 and 2019, property development and rehabilitation costs had been incurred on the following properties:

	<u>2020</u>	<u>2019</u>
1798 Westplains II new construction	\$ 499,986	\$ -
Flake Street and Albany Street new construction	-	986,379
Benham Avenue new construction	-	943,301
Modular housing under construction	80,220	-
Other projects under construction	<u>120,439</u>	<u>14,693</u>
	<u><b>\$ 700,465</b></u>	<u><b>\$ 1,944,373</b></u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 6-CONSTRUCTION IN PROGRESS (CONTINUED)**

The Corporation has eight projects in development as of December 31, 2020. The project involving the acquisition and rehabilitation of blighted multifamily properties in a near downtown Goshen, Indiana neighborhood was completed during the year ending December 31, 2019. The entire cost of the project was capitalized into buildings and land improvements on the accompanying consolidated statements of financial position. The development costs related to the projects in development are included in construction in progress in the accompanying consolidated statements of financial position.

**NOTE 7-UNAMORTIZED COSTS**

Unamortized costs consist of \$102,315 of tax credit application fees. The tax credit fees are being amortized over the 10 year tax credit period. Amortization expense for each of the years ended December 31, 2020 and 2019 was \$4,050. At December 31, 2020 and 2019 accumulated amortization was \$65,052 and \$61,002, respectively.

Amortization expense for each of the next five years and thereafter following December 31, 2016 is as follows:

2021	\$	4,050
2022		4,050
2023		4,050
2024		4,050
2025		4,050
Thereafter		<u>17,213</u>
	<b>\$</b>	<b><u>37,463</u></b>

**NOTE 8-MORTGAGES RECEIVABLE**

Mortgages have been granted to low to moderate income residents of Elkhart County, Indiana for the purchase of homes. These mortgages are in accordance with grant restrictions. Interest rates range from 0% to 6.0%. Terms range from 10 to 30 years. All mortgages are secured by deeds of trust.

Net mortgages consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Current portion	\$ 51,594	\$ 51,584
Long term portion	<u>964,577</u>	<u>1,014,318</u>
	1,016,171	1,065,902
Less allowance for doubtful accounts	<u>( 11,633)</u>	<u>( 8,336)</u>
	<b><u>\$ 1,004,538</u></b>	<b><u>\$ 1,057,566</u></b>

Interest is recognized over the term of the loan and is calculated using the simple interest method.

**LACASA, INC. AND SUBSIDIARIES**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 9-NOTES RECEIVABLE**

LaCasa has entered into various note receivables with Subsidiaries. The outstanding notes and terms of the notes provide for, among other items, as of December 31, 2020 the following:

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Outstanding Balance</u>		<u>Long term Portion</u>	<u>Current Portion</u>
		<u>Interest Rate</u>	<u>Face Amount</u>		
<b>WTP Apartments</b>					
12/06/06	12/06/36	5.29%	\$ 470,000	\$ 470,000	\$ -
10/01/14	05/15/38	5.29%*	100,000	100,000	-
10/31/14	12/31/45	0.00%	40,000	40,000	-
09/19/19	06/30/24	0.00%	50,000	30,000	10,000
<b>Lincoln Avenue</b>					
10/27/06	12/31/26	5.5%	100,000	100,000	-
10/27/06	12/31/26	5.5%	266,000	266,000	-
10/27/06	12/31/26	5.5%	430,000	430,000	-
10/27/06	12/31/26	5.5%	148,355	148,355	-
10/27/06	12/31/26	5.5%	75,000	75,000	-
10/27/06	12/31/26	5.5%	70,000	70,000	-
10/27/06	12/31/26	5.5%	45,800	45,800	-
<b>Roosevelt Center</b>					
01/17/08	12/31/27	7.5%*	400,000	400,000	-
09/23/08	12/31/27	6.0%*	115,000	115,000	-
02/28/12	12/31/27	3.5%*	215,806	215,806	-
03/31/10	12/31/27	3.5%*	42,761	42,761	-
05/02/11	12/31/27	3.5%*	200,000	200,000	-
01/17/08	12/31/27	7.0%*	100,000	100,000	-
08/09/16	12/31/23	2.0% <sup>@</sup>	115,000	115,000	-
05/12/17	12/31/27	3.5%*	45,000	45,000	-
<b>Hawks</b>					
03/27/14	12/31/44	6.00%	500,000	500,000	-
03/27/14	12/31/44	3.00%	400,000	400,000	-
03/27/14	12/31/44	6.00%	176,345	176,345	-
10/01/14	12/31/44	6.00%	15,000	15,000	-
10/14/20	12/31/31	0.00%	250,000 <sup>^</sup>	136,186	-
				<b><u>\$4,236,253</u></b>	<b><u>\$ 10,000</u></b>

\*annual compounding

@ 2% through December 31, 2018 and 3% thereafter

<sup>^</sup> As of December 31, 2020, \$136,186 has been drawn on the note.

At December 31, 2020 and 2019, intercompany notes receivable of \$4,246,253 and \$4,120,067 has been eliminated with intercompany notes payable, respectively. For the years ended December 31, 2020 and 2019, intercompany interest income of \$347,161 and \$347,247, respectively, has been eliminated with intercompany interest expense. At December 31, 2020 and 2019, intercompany accrued interest receivable of \$2,928,009 and \$2,580,260, respectively, has been eliminated with intercompany accrued interest payable.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 10-BENEFICIAL INTEREST IN COMMUNITY FOUNDATION OF ELKHART COUNTY**

The Corporation transferred funds to the Community Foundation of Elkhart County ("CFEC") in the amount of \$80,000, at cost.

Under the governing agreement for the fund, distributions are determined based on the spending formula adopted by the CFEC's board of directors. Net income in excess of the spending formula distributions, administrative fees and direct expenses will be maintained in each fund unless the Corporation requests a distribution of excess income. Losses in each fund are deducted from the fund balance. Control over the investment of the funds lies solely with CFEC.

The beneficial interest in CFEC is carried at fair value using Level 3 inputs in accordance with FASB Accounting Standards Codification related to fair value measurements, which is based upon the organization's interest in the underlying fair value of pooled investments purchased by CFEC, with the resulting realized and unrealized gain or losses reported in the consolidated statements of activities as "change in beneficial interest."

With respect to contributions received by the CFEC on behalf of the LaCasa, Inc. from other donors, as prescribed by generally accepted accounting principles, this portion of the Fund (fair value of \$77,097 and \$66,142 at December 31, 2020 and 2019, respectively) has not been reflected as part of the Corporation's beneficial interest.

During the years ended December 31, 2020 and 2019, the Corporation received distributions of \$4,220 and \$8,230, respectively, from the CFEC.

The CFEC invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the beneficial interest in each fund at the CFEC.

The following is a summary of the transactions for the fund for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 86,144	\$ 82,667
Change in value:		
Interest and dividend income	1,891	1,928
Realized gain on sales of investments	1,293	2,266
Unrealized gain (loss) on sales of investments	10,645	7,728
Distribution	( 4,220)	( 8,230)
Administration bank fees	( 215)	( 215)
	<u>\$ 95,538</u>	<u>\$ 86,144</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**NOTE 11-NOTES PAYABLE**

The Corporation has entered into various notes payable agreements with multiple financial institutions, individuals, organizations, LaCasa, Inc., and governmental agencies to fund acquisitions, pre-development, construction, and normal operations. The outstanding balances and terms of notes payable as of December 31, 2020 are as follows:

<u>Outstanding Balance</u>						
<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Face Amount</u>	<u>Long term Portion</u>	<u>Current Portion</u>
<b>LaCasa, Inc.</b>						
02/21/19	02/21/23	Individual	1.00%	\$ 10,000	\$ 10,000	\$ -
12/31/19	12/31/22	Individual	1.00%	145,000	145,000	-
12/29/19	12/31/21	Individual	1.50%	13,348	-	13,348
11/20/19	11/20/24	Individual	2.00%	100,000	100,000	-
08/01/18	08/01/22	Individual	2.00%	25,000	25,000	-
02/08/19	02/08/24	Lake City Bank	4.86%	625,021	539,189	31,731
11/22/19	12/31/34	First State Bank	5.20%	375,000	338,781	17,703
08/15/12	12/31/22	City of Goshen	Variable	500,000	500,000	-
	See	Elkhart County				
	Note 13	Housing Fund	Various	1,571,451	922,602	41,905
09/15/14	09/16/24	1 <sup>st</sup> Source Bank	4.81%	1,200,000	890,926	49,418
12/31/15	12/31/23	Organization	2.00%	150,000	150,000	-
		First State Bank				
12/14/18	12/14/23	of Middlebury	4.475%	540,000	458,895	28,401
06/05/20	6/5/35	Lake City Bank	4.50%	320,000	311,935	5,436
6/17/20	6/17/30	Centier Bank	4.00%&	125,000	102,344	10,898
<b>WTP Apartments</b>						
10/17/14	12/31/23	Ohio Equity Fund	3.25%	425,000	425,000	-
12/15/14	01/01/25	IHCDA	1.00%	150,000	46,738	15,216
12/06/06	12/06/36	LaCasa, Inc.	5.29%	470,000	470,000	-
10/01/14	05/15/38	LaCasa, Inc.	5.29%	100,000	100,000	-
10/31/14	12/31/45	LaCasa, Inc.	0.00%	40,000	40,000	-
02/09/15	12/31/45	PIRHL	0.00%	40,000	40,000	-
09/19/19	06/30/24	LaCasa, Inc.	0.00%	50,000	40,000	-
<b>Lincoln Avenue</b>						
10/08/12	10/27/26	1 <sup>st</sup> Source Bank	5.00%	183,000	77,793	13,988
10/27/06	12/31/26	LaCasa, Inc.	5.50%	100,000	100,000	-
10/27/06	12/31/26	LaCasa, Inc.	5.50%	266,000	266,000	-
10/27/06	12/31/26	LaCasa, Inc.	5.50%	430,000	430,000	-
10/27/06	12/31/26	LaCasa, Inc.	5.50%	148,355	148,355	-
10/27/06	12/31/26	LaCasa, Inc.	5.50%	75,000	75,000	-
10/27/06	12/31/26	LaCasa, Inc.	5.50%	115,800	115,800	-

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**NOTE 11-NOTES PAYABLE (CONTINUED)**

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Outstanding Balance</u>			
			<u>Interest Rate</u>	<u>Face Amount</u>	<u>Long term Portion</u>	<u>Current Portion</u>
<b>Roosevelt Center</b>						
01/17/08	12/31/27	LaCasa, Inc.	7.50%	\$ 400,000	\$ 400,000	\$ -
09/23/08	12/31/27	LaCasa, Inc.	6.00%	115,000	115,000	-
02/28/12	12/31/27	LaCasa, Inc.	3.50%	215,806	215,806	-
03/31/10	12/31/27	LaCasa, Inc.	3.50%	42,761	42,761	-
05/02/11	12/31/27	LaCasa, Inc.	3.50%	200,000	200,000	-
01/17/08	12/31/26	LaCasa, Inc.	7.00%	100,000	100,000	-
09/09/16	12/31/23	LaCasa, Inc.	2.00% (1)	115,000	115,000	-
05/12/17	12/31/27	LaCasa, Inc.	3.50%	45,000	45,000	-
<b>Hawks</b>						
05/06/16	04/01/36	1 <sup>st</sup> Source	4.01%	350,000	277,235	14,044
03/27/14	12/31/44	LaCasa, Inc.	6.00%	500,000	500,000	-
03/27/14	12/31/44	LaCasa, Inc.	3.00%	400,000	400,000	-
03/27/14	12/31/44	LaCasa, Inc.	6.00%	176,345	176,345	-
10/01/14	12/31/44	LaCasa, Inc.	6.00%	15,000	15,000	-
10/14/20	12/31/31	LaCasa, Inc.	0.00%	250,000 <sup>^</sup>	136,186	-
					9,607,691	242,088
			Less eliminations		( 4,246,253)	-
					<b><u>\$ 5,361,438</u></b>	<b><u>\$ 242,088</u></b>

(1) 2% through December 31, 2018 and 3% thereafter

(&) 4% through July 17, 2025 and variable thereafter

<sup>^</sup> As of December 31, 2020, \$136,186 has been drawn on the note

Interest has not been imputed on any of the above mortgages that carry below-market rates as they are payable to governmental entities and carry legal restrictions. The restrictions require the Corporation to use the property for low income housing, as defined by the respective mortgages' regulatory agreements or other restriction agreements. Certain mortgages provide for the deferral of interest payments. Accrued interest totaled \$3,014,820 and \$2,652,680, of which \$2,928,009 and \$2,580,260 was eliminated at December 31, 2020 and 2019, all respectively. For the years ended December 31, 2020 and 2019, the Corporation has incurred interest of \$542,008 and \$506,218, respectively. For the years ended December 31, 2020 and 2019, the Corporation eliminated interest of \$347,749 and \$347,247, respectively.

The loans are generally secured by the real estate and assignments of rents on the properties. The Corporation is not in default on any of the loan agreements.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 11-NOTES PAYABLE (CONTINUED)**

**Maturities of notes payable**

The Corporation is obligated for the following estimated principal payments in each of the next five years and thereafter under notes payable obligations:

2021	\$	242,088
2022		1,229,939
2023		802,447
2024		793,974
2025		170,421
Thereafter		<u>6,610,910</u>
		9,849,779
Unamortized debt issuance costs, net		<u>( 9,136)</u>
Total		<b><u>\$ 9,840,643</u></b>

Financing costs of \$42,382 were incurred in connection with obtaining various debt financing arrangements. These costs are amortized over the respective terms of the loans using the straight-line method. For each of the years ended December 31, 2020 and 2019, amortization expense was \$2,658. At December 31, 2020 and 2019, accumulated amortization was \$33,246 and \$30,588, respectively.

Estimated amortization expense for each of the next five years and thereafter is as follows:

2021	\$	2,658
2022		2,658
2023		1,041
2024		504
2025		504
Thereafter		<u>1,771</u>
		<b><u>\$ 9,136</u></b>

**NOTE 12-LINE OF CREDIT**

On June 11, 2018, the Corporation entered into a revolving line of credit agreement with Lake City Bank. The agreement provided, among other things, for:

- A maximum note amount of \$700,000;
- An interest rate of prime, as defined in the line of credit agreement (3% at December 31, 2020); and
- An original maturity date of July 11, 2023.

During the years ended December 31, 2020 and 2019, \$417,846 and \$-0- was drawn on the line of credit, and \$173,333 and \$-0- was repaid, all respectively. At December 31, 2020 and 2019, the outstanding principal balance is \$244,513 and \$-0-, respectively.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 12-LINE OF CREDIT (CONTINUED)**

On September 22, 2017, the Corporation entered into a revolving line of credit agreement with First State Bank of Middlebury. The agreement provides, among other things, for:

- a. A maximum note amount of \$300,000;
- b. An interest rate of prime, as defined in the line of credit agreement (5.5% at December 31, 2020); and
- c. An original maturity date of September 10, 2019 with option to extend, which was executed. Management reasonably expects the line of credit to be extended beyond March 31, 2021, and, as such, the balance is reported in long term liabilities on the consolidated statements of financial positions.

During the years ended December 31, 2020 and 2019, \$50,000 and \$25,000 was drawn on the line of credit, \$-0- was repaid, and at December 31, 2020 and 2019, the outstanding principal balance is \$250,000 and \$200,000, all respectively.

During the years ended December 31, 2020 and 2019, interest incurred related to the lines of credit totaled \$12,914 and \$7,094, respectively.

**NOTE 13-PPP LOAN**

On April 15, 2020, the Corporation entered into a loan agreement with 1<sup>st</sup> Source Bank under the Paycheck Protection Program ("PPP Loan") through the U.S. Small Business Administration ("SBA"), as authorized in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), for a maximum amount of \$324,000, as amended. Pursuant to the CARES Act, the PPP Loan was required to be utilized for fund payroll, mortgage, and utility costs. The PPP Loan is unsecured. The PPP Loan provides, among other things, for the following:

1. The maturity date of April 16, 2022;
2. An interest rate of 1% per annum;
3. Principal and interest payments commencing on November 16, 2020; and
4. Principal and accrued interest eligible for forgiveness if conditions are met, as provided in the CARES Act.

During the year ended December 31, 2020, no interest was expensed or paid on the PPP Loan as management is currently pursuing forgiveness of the loan. Management represents all terms and conditions for forgiveness have been met and the principal balance will remain outstanding until forgiveness is approved by the SBA. At December 31, 2020, principal of \$324,000 and accrued interest of \$-0- remains payable, subject to forgiveness.

As of the report date, the Corporation is pursuing forgiveness of the loan and has yet to receive notification of forgiveness.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 14-ELKHART COUNTY HOUSING FUND**

Elkhart County Housing Fund is a coalition of banks participating in five loan pools totaling \$900,000, \$1,050,000, \$1,200,000, \$2,450,000 and \$2,100,000 to provide first or second mortgages for the purchase or rehabilitation of homes. The maximum amount of an individual loan is \$100,000, and the minimum individual loan is \$5,000.

In Pool #1 as of December 31, 2020 and 2019, banks have funded 100% of their commitment, and the Corporation has a \$31,594 and \$32,990 mortgage receivable and a note payable of \$31,594 and \$32,990 to the bank coalition, all respectively.

In Pool #2 as of December 31, 2020 and 2019, banks have funded 100% of their commitment, and the Corporation has a \$93,834 and \$97,525 mortgage receivable and a note payable of \$93,834 and \$97,525 to the bank coalition, all respectively.

In Pool #3 as of December 31, 2020 and 2019, banks have funded 100% of their commitment, and the Corporation has a \$52,986 and \$55,122 mortgage receivable and a note payable of \$52,986 and \$55,122 to the bank coalition, all respectively.

In Pool #4 as of December 31, 2020 and 2019, banks have funded 100% of their commitment, and the Corporation has a \$80,313 and \$85,711 mortgage receivable and a note payable of \$80,313 and \$85,711 to the bank coalition, all respectively.

In Pool #5 as of December 31, 2020 and 2019, banks have funded 100% of their commitment, and the Corporation has a \$705,780 and \$735,847 mortgage receivable and a note payable of \$705,780 and \$735,847 to the bank coalition, all respectively.

**NOTE 15-NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Net assets with donor restrictions not invested in perpetuity, subject to purpose or time restrictions:		
Funds restricted for IDA program	\$ 526,584	\$ 591,993
Funds restricted from United Way	5,885	5,885
Funds restricted from NeighborWorks America grant awards	-	382,205
	<u>\$ 532,469</u>	<u>\$ 980,083</u>

**NeighborWorks America**

LaCasa, Inc. received NeighborWorks America grant awards, which are net assets with donor restrictions. The grants have been recorded as net assets with donor restrictions and income is without donor restrictions to support the operations of the Corporation.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 16-NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor-imposed restrictions for the years ended December 31, 2020 and 2019 by incurring expenses satisfying the restricted purposes, by the passage of time, or by occurrence of other events specified by donors were as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose and time restrictions	\$ 447,614	\$ 163,802
Total net assets released from donor restrictions	<u>\$ 447,614</u>	<u>\$ 163,802</u>

**NOTE 17-NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions consist of the following as of December 31, 2020:

Undesignated controlled interest net assets	\$ 18,222,684
Management restricted:	
NeighborWorks funds to be spent	161,402
LaCasa 50th Anniversary expenditures	26,326
Impact fund contributions - received	303,586
Impact fund contributions - pledged	<u>100</u>
Total controlled interest net assets without donor restrictions	<u>\$18,714,098</u>

Management has restricted NeighborWorks funds, LaCasa 50th anniversary contributions received, and impact fund contributions received and pledged, internally.

The Board of Directors has established operating and other reserves with the objective of setting funds aside to be drawn upon in the event of financial stress of an immediate liquidity need or if said funds have been designated for a specific purpose. The goal of the Corporation is to maintain operating and other reserves at a level to meet normal operating needs.

**NOTE 18-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Corporation manages its liquidity by completing annual operating budgets that provide sufficient funds for general expenditures in meeting liabilities and other obligations as they become due and maintains cash and cash equivalents that may be drawn upon as needed during the year to manage cash flow and make necessary expenditures. The Corporation's cash and cash equivalents is available within one year of the statement of financial position date to meet cash needs for general expenditures. There are funds (operating and other reserves) established by the governing board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Corporation also could draw upon available lines of credit (as further discussed in Note 12).

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 18-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)**

The following reflects the organizations financial assets as of the December 31, 2020, reduced by amounts not available for general use within one year of the December 31, 2020 because of internal designations. Amounts not available include amounts set aside as payable on mortgages and investments designated by the Board of Directors as held for future development or currently in development. These amounts could be drawn upon if needed with approval from the Board of Directors.

Cash	\$ 1,516,604
Accounts receivable - residents and commercial net	22,484
Accounts and notes receivable - operations	181,314
Investments - properties for resale	22,685
Current portion of mortgages receivable	<u>51,594</u>
	<b>1,794,681</b>
Internal designations	
Investments - properties for resale	( 22,685)
Current portion of mortgages receivable	<u>( 51,594)</u>
Financial assets available to meet cash needs for general expenditures within one year	<b><u>\$ 1,720,402</u></b>

**NOTE 19-RELATED PARTIES**

**Developer fee revenue and receivables**

In connection with the development of housing properties utilizing LIHTC, LaCasa, Inc. earns a developer fee in accordance with the developer fee agreement. During the years ended December 31, 2020 and 2019, developer fee revenue totaled \$-0-. At December 31, 2020 and 2019, intercompany receivables of \$757,199 has been eliminated with intercompany payables. During the years ended December 31, 2020 and 2019, no amounts were included in allowance for doubtful accounts. There was no bad debt expense attributable to developer fees receivable for the years ended December 31, 2020 and 2019.

LaCasa, Inc., an affiliate of the General Partner, was paid development fees of \$891,469 for its services in connection with the development of WTP Apartments. LaCasa, Inc. entered into a subcontract agreement with PIRHL Developers, LLC ("Co-Developer") to provide consulting and developer services for \$412,148 of the total development fees. The entire fee has been capitalized into property and equipment. During the years ended December 31, 2020 and 2019, \$-0- was paid. At December 31, 2020 and 2019, \$268,185 remains payable to the Co-Developer.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 19-RELATED PARTIES (CONTINUED)**

**Asset management fee**

Pursuant to the Partnership Agreement for WTP Apartments, Ohio Capital Corporation for Housing ("OCCH") earns an asset management fee annually to provide property management oversight, tax credit compliance monitoring and related services. OCCH will be paid asset management fees equal to \$4,000 for the first year and increased 3% annually as set forth in the Partnership Agreement. During the years ended December 31, 2020 and 2019, asset management fees of \$5,700 and \$5,532 were expensed and paid, respectively. At December 31, 2020 and 2019, there were no accrued asset management fees.

**Partnership management fee**

For its efforts in the administration of the property, Hawks Arts & Enterprise Center, L.P. shall pay to the General Partner an annual partnership management fee of \$13,000, increasing by 3% per annum. The partnership management fee is cumulative and shall be payable from cash flow, as defined in the Partnership Agreement. During the years ended December 31, 2020 and 2019, partnership management fees of \$17,388 and \$16,883 were expensed, respectively, and no partnership management fees were paid. The expenses were eliminated with the revenue recognized by LaCasa, Inc. As of December 31, 2020 and 2019, \$74,453 and \$57,065 remained payable, respectively, which is eliminated with accrued expenses and other payables on the consolidated statements of financial position.

**Investor services fee**

As compensation for its services in handling relations between Hawks Arts & Enterprise Center, L.P. and the Limited Partners, Hawks Arts & Enterprise Center, L.P. shall pay Great Lakes Capital, an affiliate of the Investor Limited Partner, an annual investor services fee of \$2,800 commencing in 2016. The investor services fee is cumulative and shall be paid out of the investor services fee reserve and shall increase by 3% per annum. During the years ended December 31, 2020 and 2019, investor services fees of \$2,800 and \$2,971 were expensed, and \$3,825 and \$3,605 were paid, all respectively. The investor service fee was paid from operations during the years ended December 31, 2018 and 2017, and will be reimbursed from the investor services fee reserve. As of December 31, 2020 and 2019, \$1,312 and \$2,337 remain payable, respectively, and is included in accrued expenses and other payables on the consolidated statements of financial position.

**NOTE 20-COMMERCIAL LEASES**

**Unrelated operating leases**

LaCasa, Inc. leases residential housing units to clients in its scattered site program. These units, with a few exceptions, are rented at below market rates, to individuals at, or below, 80% of the median income. These leases are generally for a 12 month term.

The rental homes are included in the consolidated statements of financial position under property and equipment. The total cost of rental real estate at December 31, 2020 was \$17,180,569, and the accumulated depreciation on the property totaled \$6,155,695. Total cost of rental real estate at December 31, 2019 was \$15,237,247, and the accumulated depreciation on the property totaled \$5,718,806.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 20-COMMERCIAL LEASES (CONTINUED)**

**Unrelated operating leases (continued)**

LaCasa, Inc. leases space for six commercial tenants. Four of the spaces were vacant during the years ended December 31, 2020 and 2019. The base rent ranges from \$17,520 to \$28,440 per annum with some of the operating lease base rents increasing annually. Rent income under these leases were \$47,221 and \$68,560 for the years ended December 31, 2020 and 2019, respectively.

As of December 31, 2020, the future minimum rental receipts are as follows:

2021	\$	47,221
2022		48,160
2023		30,185
2024		21,740
2025		22,826
Thereafter		<u>63,231</u>
		<u><b>\$ 233,363</b></u>

**NOTE 21-EMPLOYEE RETIREMENT PLAN**

The Corporation has a defined contribution pension plan under Internal Revenue Code Section 403(b) covering all regular employees after they have worked 90 days. A regular employee is defined as one who works 30 hours per week or more. The Corporation will match contributions of regular employees based on the following schedule: a) year 2 - up to 1% of gross wages; b) year 3 - up to 2% of gross wages; c) year 4 - up to 3% of gross wages; and d) year 5 and later - up to 4% of gross wages. The plan is managed by various third parties. The Corporation's contributions to the plan for the years ended December 31, 2020 and 2019 were \$78,210 and \$71,898, respectively.

**NOTE 22-COMMITMENTS AND CONTINGENCIES**

LaCasa, Inc. receives funds under numerous contracts, grants and agreements with federal, state, and local governmental agencies, some of which were loaned to limited liability entities to carry out the defined requirements. In the event of noncompliance with these requirements, LaCasa, Inc. may be subject to repayment of funds received under contracts, grants and agreements with governmental agencies that provide for payments by LaCasa, Inc. based on cost or statistical data. Most contracts, grants and agreements are subject to audit by the funding sources.

LaCasa, Inc. has provided unconditional construction completion guarantees and in a number of cases is required to make operating deficit contributions for any operating deficits not funded from the operating reserves, as defined. This operating deficit obligation is limited to a stated amount and for a stated period. Operating deficit contributions are repayable from Cash Flow, as defined, in the order of priority documented in the respective partnership or operating agreements.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 22-COMMITMENTS AND CONTINGENCIES (CONTINUED)**

In accordance with the respective partnership or operating agreements, in a few cases LaCasa, Inc. has agreed to unconditionally guarantee the due and punctual performance by the general partner or managing member of all its obligations under the partnership or operating agreement. In accordance with the respective partnership or operating agreements, in a few cases LaCasa, Inc. is required to fund required reserve payments or any unpaid portion of developer fee for a period defined in partnership or operating agreement.

Certain properties have received allocations of ("LIHTC"). The tax credits are contingent on the applicable partnerships' ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct non-compliance within a specified time period could result in recapture of previously taken tax credits. In addition, such potential noncompliance may require adjustments as disclosed in the properties' partnership or operating agreements.

In connection with the development of certain affordable housing properties, which are owned by limited partnerships, LaCasa, Inc. has the option to purchase the properties at the close of the properties' 15-year compliance period.

**Economic conditions**

In December 2019, a novel strain of the coronavirus ("COVID-19") surfaced. The spread of COVID-19 around the world in 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies, and, as such, the Corporation is unable to determine if it will have a material impact to its operations.

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**DETAIL OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

ASSETS	LaCasa, Inc.	Elkhart Senior Housing, L.P.	Lincoln Avenue Redevelopment, L.P.	Roosevelt Center, L.P.	Hawks Arts & Enterprise Center, L.P.	LaCasa Real Estate Holdings, LLC	Eliminations	Total
<b>Current assets</b>								
Cash and cash equivalents								
Cash	\$ 1,481,486	\$ 7,187	\$ 16,020	\$ 4,214	\$ 6,749	\$ 948	\$ -	\$ 1,516,604
Resident security deposits	25,579	24,915	17,022	21,659	21,704	-	-	110,879
Reserve for replacements	216,001	171,847	106,782	123,149	58,852	-	-	676,631
Operating reserves	709,024	2,055	44,556	26,332	188,358	-	-	970,325
<b>Total cash and cash equivalents</b>	<b>2,432,090</b>	<b>206,004</b>	<b>184,380</b>	<b>175,354</b>	<b>275,663</b>	<b>948</b>	<b>-</b>	<b>3,274,439</b>
Accounts receivable - residents and commercial, net	16,949	1,628	1,536	2,296	75	-	-	22,484
Accounts and notes receivable - operations	677,866	1,085	-	-	-	-	(497,637)	181,314
Developer fees receivable	831,651	-	-	-	-	-	(831,651)	-
Investments - properties for resale	22,685	-	-	-	-	-	-	22,685
Prepaid expenses	41,065	-	-	-	-	-	-	41,065
Current portion of mortgages receivable	51,594	-	-	-	-	-	-	51,594
<b>Total current assets</b>	<b>4,073,900</b>	<b>208,717</b>	<b>185,916</b>	<b>177,650</b>	<b>275,738</b>	<b>948</b>	<b>(1,329,288)</b>	<b>3,593,581</b>
<b>Restricted deposits and funded reserves</b>								
Cash - IDA funds	673,606	-	-	-	-	-	-	673,606
<b>Property and equipment</b>								
Land	183,693	142,791	58,714	-	-	-	-	385,198
Buildings and land improvements	17,545,895	6,527,176	5,313,081	5,779,896	6,253,233	-	-	41,419,281
Furniture and equipment	-	139,129	66,020	84,657	558,289	-	-	848,095
Office furniture and equipment	830,096	-	-	-	-	-	-	830,096
Vehicles	1,163	-	-	-	-	-	-	1,163
Construction in progress	700,361	-	-	-	-	284	-	700,645
	<b>19,261,208</b>	<b>6,809,096</b>	<b>5,437,815</b>	<b>5,864,553</b>	<b>6,811,522</b>	<b>284</b>	<b>-</b>	<b>44,184,478</b>
Less: Accumulated depreciation	(7,293,540)	(3,144,159)	(2,285,646)	(2,154,640)	(1,866,405)	-	-	(16,744,390)
<b>Total property and equipment</b>	<b>11,967,668</b>	<b>3,664,937</b>	<b>3,152,169</b>	<b>3,709,913</b>	<b>4,945,117</b>	<b>284</b>	<b>-</b>	<b>27,440,088</b>
<b>Other assets</b>								
Investments - entity	339,821	-	-	-	-	-	(326,374)	13,447
Unamortized costs, net	-	-	-	-	37,463	-	-	37,463
Notes receivable	4,246,253	-	-	-	-	-	(4,246,253)	-
Interest receivable	2,928,009	-	-	-	-	-	(2,928,009)	-
Mortgages receivable, net of current portion	952,944	-	-	-	-	-	-	952,944
Investments - CFEC	95,538	-	-	-	-	-	-	95,538
<b>Total other assets</b>	<b>8,562,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,463</b>	<b>-</b>	<b>(7,500,636)</b>	<b>1,099,392</b>
	<b>\$ 25,277,739</b>	<b>\$ 3,873,654</b>	<b>\$ 3,338,085</b>	<b>\$ 3,887,563</b>	<b>\$ 5,258,318</b>	<b>\$ 1,232</b>	<b>\$ (8,829,924)</b>	<b>\$ 32,806,667</b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**DETAIL OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2020**

LIABILITIES AND NET ASSETS	LaCasa, Inc.	Elkhart Senior Housing, L.P.	Lincoln Avenue Redevelopment, L.P.	Roosevelt Center, L.P.	Hawks Arts & Enterprise Center, L.P.	LaCasa Real Estate Holdings, LLC	Eliminations	Total
<b>Current liabilities</b>								
Accounts payable	\$ 83,184	\$ 4,422	\$ 16,856	\$ 11,022	\$ 59,688	\$ -	\$ (775)	\$ 174,397
Accounts payable - related party	-	7,000	-	-	26,269	89,999	(123,268)	-
Accrued expenses and other payables	190,445	-	-	-	75,765	-	(74,453)	191,757
Current portion of accrued interest	934	114	-	882	-	-	-	1,930
Accrued real estate taxes	-	3,528	3,140	1,445	2,442	10,349	-	20,904
Prepaid revenue	-	5,409	2,614	-	5,097	-	-	13,120
Current portion of mortgage notes and notes payable	198,840	15,216	13,988	-	14,044	-	-	242,088
<b>Total current liabilities</b>	<b>473,403</b>	<b>35,689</b>	<b>36,598</b>	<b>13,349</b>	<b>183,305</b>	<b>100,348</b>	<b>(198,496)</b>	<b>644,196</b>
<b>Deposit liabilities</b>								
Resident security deposits	97,559	24,231	18,006	20,895	22,957	-	-	183,648
IDA funds held	147,025	-	-	-	-	-	-	147,025
<b>Total deposit liabilities</b>	<b>244,584</b>	<b>24,231</b>	<b>18,006</b>	<b>20,895</b>	<b>22,957</b>	<b>-</b>	<b>-</b>	<b>330,673</b>
<b>Long term liabilities</b>								
Accounts payable - related party	-	12,092	166,655	194,846	-	-	(373,593)	-
Development fee payable	-	611,370	185,000	229,014	-	-	(757,199)	268,185
Lines of credit	494,513	-	-	-	-	-	-	494,513
Notes payable - entity, net of current portion	-	1,115,000	1,135,155	1,233,567	1,227,531	-	(4,246,253)	465,000
Notes payable, net of current portion	1,388,895	-	-	-	-	-	-	1,388,895
Mortgage notes payable - first mortgages, net of current portion	2,183,175	46,738	77,793	-	277,235	-	-	2,584,941
PPP Loan	324,000	-	-	-	-	-	-	324,000
Less: Unamortized debt issuance costs, net	-	(4,845)	(2,108)	-	(2,183)	-	-	(9,136)
Notes payable - Elkhart County Housing Fund	922,602	-	-	-	-	-	-	922,602
Accrued interest, net of current portion	-	549,354	1,124,959	1,060,604	278,561	-	(2,928,009)	85,469
<b>Total long term liabilities</b>	<b>5,313,185</b>	<b>2,329,709</b>	<b>2,687,454</b>	<b>2,718,031</b>	<b>1,781,144</b>	<b>-</b>	<b>(8,305,054)</b>	<b>6,524,469</b>
<b>Total liabilities</b>	<b>6,031,172</b>	<b>2,389,629</b>	<b>2,742,058</b>	<b>2,752,275</b>	<b>1,987,406</b>	<b>100,348</b>	<b>(8,503,550)</b>	<b>7,499,338</b>
<b>Net Assets</b>								
Without donor restrictions	18,714,098	(3,567)	429,651	(360)	(233)	(99,116)	(326,374)	18,714,099
With donor restrictions	532,469	-	-	-	-	-	-	532,469
Non-controlling interest	-	1,487,592	166,376	1,135,648	3,271,145	-	-	6,060,761
<b>Total net assets</b>	<b>19,246,567</b>	<b>1,484,025</b>	<b>596,027</b>	<b>1,135,288</b>	<b>3,270,912</b>	<b>(99,116)</b>	<b>(326,374)</b>	<b>25,307,329</b>
	<b>\$ 25,277,739</b>	<b>\$ 3,873,654</b>	<b>\$ 3,338,085</b>	<b>\$ 3,887,563</b>	<b>\$ 5,258,318</b>	<b>\$ 1,232</b>	<b>\$ (8,829,924)</b>	<b>\$ 32,806,667</b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**DETAIL OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2019**

ASSETS	LaCasa, Inc.	Elkhart Senior Housing, L.P.	Lincoln Avenue Redevelopment, L.P.	Roosevelt Center, L.P.	Hawks Arts & Enterprise Center, L.P.	LaCasa Real Estate Holdings, LLC	Eliminations	Total
<b>Current assets</b>								
Cash and cash equivalents								
Cash	\$ 854,866	\$ 7,828	\$ 14,428	\$ 5,623	\$ 7,647	\$ 1,840	\$ -	\$ 892,232
Resident security deposits	23,174	24,918	17,016	21,641	21,702	-	-	108,451
Reserve for replacements	451,944	151,458	100,382	114,384	41,811	-	-	859,979
Operating reserves	1,231,072	2,055	43,558	26,370	191,958	-	-	1,495,013
<b>Total cash and cash equivalents</b>	<b>2,561,056</b>	<b>186,259</b>	<b>175,384</b>	<b>168,018</b>	<b>263,118</b>	<b>1,840</b>	<b>-</b>	<b>3,355,675</b>
Accounts receivable - residents and commercial, net	23,332	510	1,496	147	1,413	-	-	26,898
Accounts and notes receivable - operations	764,471	1,037	-	-	-	-	(413,209)	352,299
Developer fees receivable	814,263	-	-	-	-	-	(814,263)	-
Investments - properties for resale	46,390	-	-	-	-	-	-	46,390
Prepaid expenses	62,938	-	-	-	-	-	-	62,938
Current portion of mortgages receivable	51,584	-	-	-	-	-	-	51,584
<b>Total current assets</b>	<b>4,324,034</b>	<b>187,806</b>	<b>176,880</b>	<b>168,165</b>	<b>264,531</b>	<b>1,840</b>	<b>(1,227,472)</b>	<b>3,895,784</b>
<b>Restricted deposits and funded reserves</b>								
Cash - IDA funds	707,144	-	-	-	-	-	-	707,144
<b>Property and equipment</b>								
Land	183,693	142,791	58,714	-	-	-	-	385,198
Buildings and land improvements	14,353,635	6,527,176	5,303,710	5,768,853	6,058,685	-	-	38,012,059
Furniture and equipment	-	139,129	62,760	84,657	558,289	-	-	844,835
Office furniture and equipment	548,240	-	-	-	-	-	-	548,240
Vehicles	1,163	-	-	-	-	-	-	1,163
Construction in progress	1,944,089	-	-	-	-	284	-	1,944,373
	<b>17,030,820</b>	<b>6,809,096</b>	<b>5,425,184</b>	<b>5,853,510</b>	<b>6,616,974</b>	<b>284</b>	<b>-</b>	<b>41,735,868</b>
Less: Accumulated depreciation	(6,807,114)	(2,894,457)	(2,101,427)	(1,981,690)	(1,605,542)	-	-	(15,390,230)
<b>Total property and equipment</b>	<b>10,223,706</b>	<b>3,914,639</b>	<b>3,323,757</b>	<b>3,871,820</b>	<b>5,011,432</b>	<b>284</b>	<b>-</b>	<b>26,345,638</b>
<b>Other assets</b>								
Investments - entity	381,743	-	-	-	-	-	(367,804)	13,939
Unamortized costs, net	-	-	-	-	41,513	-	-	41,513
Notes receivable	4,119,480	-	-	-	-	-	(4,119,480)	-
Interest receivable	2,596,063	-	-	-	-	-	(2,596,063)	-
Mortgages receivable, net of current portion	1,005,982	-	-	-	-	-	-	1,005,982
Investments - CFEC	-	-	-	-	-	-	-	-
Other prepaids and deposits	86,144	-	-	-	-	-	-	86,144
<b>Total other assets</b>	<b>8,189,412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,513</b>	<b>-</b>	<b>(7,083,347)</b>	<b>1,147,578</b>
	<b>\$ 23,444,296</b>	<b>\$ 4,102,445</b>	<b>\$ 3,500,637</b>	<b>\$ 4,039,985</b>	<b>\$ 5,317,476</b>	<b>\$ 2,124</b>	<b>\$ (8,310,819)</b>	<b>\$ 32,096,144</b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**DETAIL OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2019**

LIABILITIES AND NET ASSETS	LaCasa, Inc.	Elkhart Senior Housing, L.P.	Lincoln Avenue Redevelopment, L.P.	Roosevelt Center, L.P.	Hawks Arts & Enterprise Center, L.P.	LaCasa Real Estate Holdings, LLC	Eliminations	Total
<b>Current liabilities</b>								
Accounts payable	\$ 522,026	\$ 9,488	\$ 15,761	\$ 9,557	\$ 23,190	\$ -	\$ (21,588)	\$ 558,434
Accounts payable - related party	-	-	-	-	1,408	49,800	(51,208)	-
Accrued expenses and other payables	128,374	-	-	-	59,402	-	(57,065)	130,711
Current portion of accrued interest	1,276	113	-	-	-	-	-	1,389
Accrued real estate taxes	-	3,528	3,140	1,445	1,940	10,349	-	20,402
Prepaid revenue	-	2,120	708	1,650	2,913	-	-	7,391
Current portion of mortgage notes and notes payable	279,425	15,065	13,307	-	13,493	-	-	321,290
<b>Total current liabilities</b>	<b>931,101</b>	<b>30,314</b>	<b>32,916</b>	<b>12,652</b>	<b>102,346</b>	<b>60,149</b>	<b>(129,861)</b>	<b>1,039,617</b>
<b>Deposit liabilities</b>								
Resident security deposits	93,887	24,393	16,420	19,406	20,078	-	-	174,184
IDA funds held	128,202	-	-	-	-	-	-	128,202
<b>Total deposit liabilities</b>	<b>222,089</b>	<b>24,393</b>	<b>16,420</b>	<b>19,406</b>	<b>20,078</b>	<b>-</b>	<b>-</b>	<b>302,386</b>
<b>Long term liabilities</b>								
Accounts payable - related party	-	42,950	144,723	152,740	-	-	(340,413)	-
Development fee payable	-	611,370	185,000	229,014	-	-	(757,199)	268,185
Lines of credit	200,000	-	-	-	-	-	-	200,000
Notes payable - entity, net of current portion	-	1,125,000	1,135,155	1,233,567	1,091,345	-	(4,120,067)	465,000
Notes payable, net of current portion	1,405,453	-	-	-	-	-	-	1,405,453
Mortgage notes payable - first mortgages, net of current portion	1,905,889	61,954	91,641	-	291,221	-	-	2,350,705
Other loans and notes payable, net of current portion	-	-	-	-	-	-	-	-
Less: Unamortized debt issuance costs, net	-	(6,999)	(2,469)	-	(2,326)	-	-	(11,794)
Notes payable - Elkhart County Housing Fund	963,665	-	-	-	-	-	-	963,665
Accrued interest, net of current portion	-	483,540	1,007,293	935,378	225,080	-	(2,580,260)	71,031
<b>Total long term liabilities</b>	<b>4,475,007</b>	<b>2,317,815</b>	<b>2,561,343</b>	<b>2,550,699</b>	<b>1,605,320</b>	<b>-</b>	<b>(7,797,939)</b>	<b>5,712,245</b>
<b>Total liabilities</b>	<b>5,628,197</b>	<b>2,372,522</b>	<b>2,610,679</b>	<b>2,582,757</b>	<b>1,727,744</b>	<b>60,149</b>	<b>(7,927,800)</b>	<b>7,054,248</b>
<b>Net Assets</b>								
Without donor restrictions	16,836,016	(3,321)	429,680	(328)	(201)	(58,025)	(383,019)	16,820,802
With donor restrictions	980,083	-	-	-	-	-	-	980,083
Non-controlling interest	-	1,733,244	460,278	1,457,556	3,589,933	-	-	7,241,011
<b>Total net assets</b>	<b>17,816,099</b>	<b>1,729,923</b>	<b>889,958</b>	<b>1,457,228</b>	<b>3,589,732</b>	<b>(58,025)</b>	<b>(383,019)</b>	<b>25,041,896</b>
	<b>\$ 23,444,296</b>	<b>\$ 4,102,445</b>	<b>\$ 3,500,637</b>	<b>\$ 4,039,985</b>	<b>\$ 5,317,476</b>	<b>\$ 2,124</b>	<b>\$ (8,310,819)</b>	<b>\$ 32,096,144</b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**DETAIL OF CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>LaCasa, Inc.</b>	<b>Elkhart Senior Housing, L.P.</b>	<b>Lincoln Avenue Redevelopment, L.P.</b>	<b>Roosevelt Center, L.P.</b>	<b>Hawks Arts &amp; Enterprise Center, L.P.</b>	<b>LaCasa Real Estate Holdings, LLC</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue</b>								
Rental income, net of vacancy and concessions	\$ 1,328,571	\$ 313,695	\$ 227,058	\$ 254,319	\$ 257,704	\$ -	\$ -	\$ 2,381,347
Fees for services	564,566	-	-	-	-	-	(85,402)	479,164
Grant income	2,487,188	-	-	-	-	-	-	2,487,188
Donations income	496,259	-	-	-	-	-	-	496,259
Donated labor and assets	10,050	-	-	-	-	-	-	10,050
Interest income	350,591	84	101	100	253	-	(332,534)	18,595
Change in beneficial interest	9,394	-	-	-	-	-	-	9,394
Other income	26,122	9,524	4,698	8,911	3,942	800	41,430	95,427
Satisfaction of program restrictions	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>5,272,741</b>	<b>323,303</b>	<b>231,857</b>	<b>263,330</b>	<b>261,899</b>	<b>800</b>	<b>(376,506)</b>	<b>5,977,424</b>
<b>Expenses</b>								
<b>Program expenses</b>								
Asset and property management	1,718,565	569,201	525,788	585,270	580,719	41,891	(433,151)	3,588,283
Community building and organizing	79,972	-	-	-	-	-	-	79,972
Home ownership center	688,794	-	-	-	-	-	-	688,794
Real estate development	488,568	-	-	-	-	-	-	488,568
Resident services	137,036	-	-	-	-	-	-	137,036
<b>Total program expenses</b>	<b>3,112,935</b>	<b>569,201</b>	<b>525,788</b>	<b>585,270</b>	<b>580,719</b>	<b>41,891</b>	<b>(433,151)</b>	<b>4,982,653</b>
<b>Supporting services</b>								
Development	236,788	-	-	-	-	-	-	236,788
Management and general	492,550	-	-	-	-	-	-	492,550
<b>Total supporting services</b>	<b>729,338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>729,338</b>
<b>Non-operating expense</b>								
<b>Total expenses</b>	<b>3,842,273</b>	<b>569,201</b>	<b>525,788</b>	<b>585,270</b>	<b>580,719</b>	<b>41,891</b>	<b>(433,151)</b>	<b>5,711,991</b>
<b>Changes in net assets</b>	<b>\$ 1,430,468</b>	<b>\$ (245,898)</b>	<b>\$ (293,931)</b>	<b>\$ (321,940)</b>	<b>\$ (318,820)</b>	<b>\$ (41,091)</b>	<b>\$ 56,645</b>	<b>\$ 265,433</b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**DETAIL OF CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

	<b>LaCasa, Inc.</b>	<b>Elkhart Senior Housing, L.P.</b>	<b>Lincoln Avenue Redevelopment, L.P.</b>	<b>Roosevelt Center, L.P.</b>	<b>Hawks Arts &amp; Enterprise Center, L.P.</b>	<b>LaCasa Real Estate Holdings, LLC</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue</b>								
Rental income, net of vacancy and concessions	\$ 1,217,427	\$ 317,217	\$ 212,120	\$ 248,545	\$ 240,961	\$ -	\$ -	\$ 2,236,270
Fees for services	900,438	-	-	-	-	-	(82,544)	817,894
Grant income	2,610,861	-	-	-	-	-	-	2,610,861
Donations income	532,393	-	-	-	-	-	-	532,393
Donated labor and assets	51,668	-	-	-	-	-	-	51,668
Interest income	370,765	69	200	213	1,111	-	(347,247)	25,111
Change in beneficial interest	3,477	-	-	-	-	-	-	3,477
Other income	(16,791)	9,185	4,965	8,241	8,741	-	42,874	57,215
Satisfaction of program restrictions	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>5,670,238</b>	<b>326,471</b>	<b>217,285</b>	<b>256,999</b>	<b>250,813</b>	<b>-</b>	<b>(386,917)</b>	<b>6,334,889</b>
<b>Expenses</b>								
<b>Program expenses</b>								
Asset and property management	1,675,260	575,717	520,862	545,983	659,553	42,524	(414,574)	3,605,325
Community building and organizing	77,857	-	-	-	-	-	-	77,857
Home ownership center	526,423	-	-	-	-	-	-	526,423
Real estate development	394,787	-	-	-	-	-	-	394,787
Resident services	138,936	-	-	-	-	-	-	138,936
<b>Total program expenses</b>	<b>2,813,263</b>	<b>575,717</b>	<b>520,862</b>	<b>545,983</b>	<b>659,553</b>	<b>42,524</b>	<b>(414,574)</b>	<b>4,743,328</b>
<b>Supporting services</b>								
Development	296,825	-	-	-	-	-	-	296,825
Management and general	488,498	-	-	-	-	-	-	488,498
<b>Total supporting services</b>	<b>785,323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>785,323</b>
<b>Non-operating expense</b>								
<b>Total expenses</b>	<b>3,598,586</b>	<b>575,717</b>	<b>520,862</b>	<b>545,983</b>	<b>659,553</b>	<b>42,524</b>	<b>(414,574)</b>	<b>5,528,651</b>
<b>Changes in net assets</b>	<b>\$ 2,071,652</b>	<b>\$ (249,246)</b>	<b>\$ (303,577)</b>	<b>\$ (288,984)</b>	<b>\$ (408,740)</b>	<b>\$ (42,524)</b>	<b>\$ 27,657</b>	<b>\$ 806,238</b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**DETAIL OF CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>LaCasa, Inc.</u>	<u>Elkhart Senior Housing, L.P.</u>	<u>Lincoln Avenue Redevelopment, L.P.</u>	<u>Roosevelt Center, L.P.</u>	<u>Hawks Arts &amp; Enterprise Center, L.P.</u>	<u>LaCasa Real Estate Holdings, LLC</u>	<u>Eliminations</u>	<u>Total</u>
<b>Net assets, January 1, 2020</b>	<b>\$ 17,816,099</b>	<b>\$ 1,729,923</b>	<b>\$ 889,958</b>	<b>\$ 1,457,228</b>	<b>\$ 3,589,732</b>	<b>\$ (58,025)</b>	<b>\$ (383,019)</b>	<b>\$ 25,041,896</b>
Contributions	-	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-	-
Changes in net assets	1,430,468	(245,898)	(293,931)	(321,940)	(318,820)	(41,091)	56,645	<b>265,433</b>
Equity investments eliminated	-	-	-	-	-	-	-	-
<b>Net assets, December 31, 2020</b>	<b><u>\$ 19,246,567</u></b>	<b><u>\$ 1,484,025</u></b>	<b><u>\$ 596,027</u></b>	<b><u>\$ 1,135,288</u></b>	<b><u>\$ 3,270,912</u></b>	<b><u>\$ (99,116)</u></b>	<b><u>\$ (326,374)</u></b>	<b><u>\$ 25,307,329</u></b>

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**DETAIL OF CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

	<u>LaCasa, Inc.</u>	<u>Elkhart Senior Housing, L.P.</u>	<u>Lincoln Avenue Redevelopment, L.P.</u>	<u>Roosevelt Center, L.P.</u>	<u>Hawks Arts &amp; Enterprise Center, L.P.</u>	<u>LaCasa Real Estate Holdings, LLC</u>	<u>Eliminations</u>	<u>Total</u>
<b>Net assets, January 1, 2019</b>	<b>\$ 15,744,447</b>	<b>\$ 1,979,169</b>	<b>\$ 1,193,535</b>	<b>\$ 1,746,212</b>	<b>\$ 3,998,472</b>	<b>\$ (15,501)</b>	<b>\$ (410,676)</b>	<b>\$ 24,235,658</b>
Contributions	-	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-	-
Changes in net assets	2,071,652	(249,246)	(303,577)	(288,984)	(408,740)	(42,524)	27,657	<b>806,238</b>
Investments eliminated on equity method	-	-	-	-	-	-	-	-
<b>Net assets, December 31, 2019</b>	<b><u>\$ 17,816,099</u></b>	<b><u>\$ 1,729,923</u></b>	<b><u>\$ 889,958</u></b>	<b><u>\$ 1,457,228</u></b>	<b><u>\$ 3,589,732</u></b>	<b><u>\$ (58,025)</u></b>	<b><u>\$ (383,019)</u></b>	<b><u>\$ 25,041,896</u></b>

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2020**

**Federal Grantor**

<i>Pass-through Grantor</i> "Program Title"	<b>CFDA Number</b>	<b>Pass-Through Identification Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Treasury</b>			
NeighborWorks America - Capital Grant	21.000	None	\$ 50,000
NeighborWorks America - Expendable Grant	21.000	None	162,500
NeighborWorks America - Community Leadership Institute	21.000	None	4,000
NeighborWorks America - Expendable Grants	21.000	R-SUPEXT-2020-56871	25,000
NeighborWorks America - Expendable Grants	21.000	None	25,000
			<b>266,500</b>
<b>Department of Housing and Urban Development</b>			
<i>Indiana Housing and Community Development Authority</i>			
"Home Investment Partnerships Program"	14.239	CH-012-007	400,000
"Home Investment Partnerships Program"	14.239	CH-006-009	470,000
"Home Investment Partnership Program"	14.239	CH-017-005	29,974
"Home Investment Partnership Program"	14.239	CO-018-003	25,000
"Home Investment Partnership Program"	14.239	CH-018-007	1,015,635
"Home Investment Partnership Program"	14.239	CH-018-002	610,517
"Home Investment Partnership Program"	14.239	HTF-018-001	5,000
			<b>2,556,126</b>
<i>City of Goshen</i>			
"Community Development Block Grants/Entitlement Grants"	14.218	None	6,075
"Community Development Block Grants/Entitlement Grants"	14.218	None	113,429
"Community Development Block Grants/Entitlement Grants"	14.218	None	7,000
"Community Development Block Grants/Entitlement Grants"	14.218	None	8,550
"Community Development Block Grants/Entitlement Grants"	14.218	None	145,147
			<b>280,201</b>
<i>Neighborworks America</i>			
"Housing Counseling Grant"	14.169	None	<b>45,905</b>
<b>Total Department of Housing and Urban Development</b>			<b>2,882,232</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 3,148,732</b>

Note 1: The schedule of expenditures of federal awards is prepared on the accrual basis of accounting and the Corporation elected not to use the 10% de minimis cost rule.

Note 2: The accompanying schedule of expenditures of federal awards includes the federal grant activity of LaCasa, Inc. and its Subsidiaries and is presented on the accrual basis of accounting. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



Dauby O'Connor & Zaleski, LLC

A Limited Liability Company

Certified Public Accountants

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

To the Board of Directors of  
LaCasa, Inc. and Subsidiaries  
(An Indiana Not-for-Profit Corporation)

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of LaCasa, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, change in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 1, 2021.

**Internal Control over Financial Reporting**

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

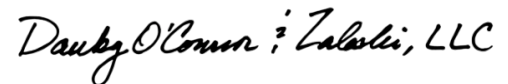
## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether LaCasa, Inc. and Subsidiaries' 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 financial statements. 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 LaCasa, Inc. and Subsidiaries' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LaCasa, Inc. and Subsidiaries' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

April 1, 2021  
Carmel, Indiana



Dauby O'Connor & Zaleski, LLC  
Certified Public Accountants



**Dauby O'Connor & Zaleski, LLC**

A Limited Liability Company

Certified Public Accountants

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

To the Board of Directors of  
LaCasa, Inc. and Subsidiaries  
(An Indiana Not-for-Profit Corporation)

### **Report on Compliance for Each Major Federal Program**

We have audited LaCasa, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of LaCasa, Inc. and Subsidiaries' major federal programs for the year ended December 31, 2020. LaCasa, Inc. and Subsidiaries' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of LaCasa, Inc. and Subsidiaries' 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* 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 LaCasa, Inc. and Subsidiaries' 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 LaCasa, Inc. and Subsidiaries' compliance.

### **Opinion on Each Major Federal Program**

In our opinion, LaCasa, Inc. and Subsidiaries 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, 2020.

## **Report on Internal Control Over Compliance**

Management of LaCasa, Inc. and Subsidiaries 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 LaCasa, Inc. and Subsidiaries' 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 LaCasa, Inc. and Subsidiaries' internal control over compliance.

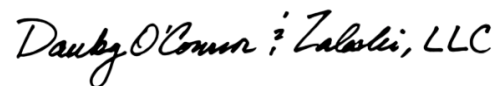
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 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.

### **Purpose of this Report**

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.

April 1, 2021  
Carmel, Indiana



Dauby, O'Connor & Zaleski, LLC  
Certified Public Accountants

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**SUMMARY OF AUDITOR'S RESULTS  
YEAR ENDED DECEMBER 31, 2020**

**Section I-Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Dollar threshold to distinguish Type A and B programs \$750,000

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Auditee qualifies as a low-risk auditee?  yes  no

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?  yes  no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.239	HOME Investment Affordable Housing

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

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**SUMMARY OF AUDITOR'S RESULTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2020**

**Section II-Financial Statement Findings**

Our audit disclosed no findings that are required to be reported.

**Section III-Federal Award Findings and Questioned Costs**

Our audit disclosed no findings that are required to be reported.

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

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**CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2020**

**Name of auditee:** LaCasa, Inc. and Subsidiaries

**Name of audit firm:** Dauby O'Connor & Zaleski, LLC

**Period covered by the audit:** Year ended December 31, 2020

**CAP prepared by**

**Name:** Ernie Smith

**Position:** Chief Financial Officer

**Telephone number:** 574-533-4450

**Current Findings on the Schedule of Findings, Questioned Costs, and Recommendations**

No corrective action plan is required to be reported.

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2020**

There were no findings or questioned costs from the prior audit report.

**LACASA, INC. AND SUBSIDIARIES**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**SUPPLEMENTAL SCHEDULE - CONSOLIDATED STATEMENT OF ACTIVITIES - NATURAL**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue</b>			
Rental income, net of vacancy and concessions	\$ 2,381,347	\$ -	\$ 2,381,347
Fees for services	479,164	-	479,164
Grant income	2,487,188	-	2,487,188
Donations income	496,259	-	496,259
Donated labor and assets	10,050	-	10,050
Interest income	18,595	-	18,595
Change in beneficial interest	9,394	-	9,394
Other income	95,427	-	95,427
Satisfaction of program restrictions	447,614	(447,614)	-
<b>Total revenue</b>	<b>6,425,038</b>	<b>(447,614)</b>	<b>5,977,424</b>
<b>Operating Expense</b>			
Salaries and wages	2,094,082	-	2,094,082
Administrative	527,751	-	527,751
Utilities	369,743	-	369,743
Operating and maintenance	765,112	-	765,112
Taxes and insurance	337,118	-	337,118
<b>Total operating expenses</b>	<b>4,093,806</b>	<b>-</b>	<b>4,093,806</b>
<b>Changes in net assets from operations</b>	<b>2,331,232</b>	<b>(447,614)</b>	<b>1,883,618</b>
<b>Other expenses</b>			
Interest expense	194,847	-	194,847
Interest - debt issuance costs	2,658	-	2,658
Depreciation	1,416,630	-	1,416,630
Amortization	4,050	-	4,050
<b>Total other expenses</b>	<b>1,618,185</b>	<b>-</b>	<b>1,618,185</b>
<b>Changes in net assets</b>	<b>\$ 713,047</b>	<b>\$ (447,614)</b>	<b>\$ 265,433</b>
Non-controlling interest in net losses of subsidiaries	1,180,250	-	1,180,250
<b>Changes in net assets excluding non-controlling interest</b>	<b>\$ 1,893,297</b>	<b>\$ (447,614)</b>	<b>\$ 1,445,683</b>

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**SUPPLEMENTAL SCHEDULE - CONSOLIDATED STATEMENT OF ACTIVITIES - NATURAL  
YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue</b>			
Rental income, net of vacancy and concessions	\$ 2,236,270	\$ -	\$ 2,236,270
Fees for services	817,894	-	817,894
Grant income	2,610,861		2,610,861
Donations income	438,684	93,709	532,393
Donated labor and assets	51,668	-	51,668
Interest income	25,111	-	25,111
Change in beneficial interest	3,477	-	3,477
Other income	57,215	-	57,215
Satisfaction of program restrictions	163,802	(163,802)	-
<b>Total revenue</b>	<b>6,404,982</b>	<b>(70,093)</b>	<b>6,334,889</b>
<b>Operating Expense</b>			
Salaries and wages	1,831,877		1,831,877
Administrative	462,268	-	462,268
Utilities	345,464	-	345,464
Operating and maintenance	720,668	-	720,668
Taxes and insurance	331,130	-	331,130
<b>Total operating expenses</b>	<b>3,691,407</b>	<b>-</b>	<b>3,691,407</b>
<b>Changes in net assets from operations</b>	<b>2,713,575</b>	<b>(70,093)</b>	<b>2,643,482</b>
<b>Other expenses</b>			
Interest expense	506,218	-	506,218
Interest - debt issuance costs	2,925	-	2,925
Depreciation	1,324,051	-	1,324,051
Amortization	4,050	-	4,050
<b>Total other expenses</b>	<b>1,837,244</b>	<b>-</b>	<b>1,837,244</b>
<b>Changes in net assets</b>	<b>\$ 876,331</b>	<b>\$ (70,093)</b>	<b>\$ 806,238</b>
Non-controlling interest in net losses of subsidiaries	1,250,198	-	1,250,198
<b>Changes in net assets excluding non-controlling interest</b>	<b>\$ 2,126,529</b>	<b>\$ (70,093)</b>	<b>\$ 2,056,436</b>

**LACASA, INC. AND SUBSIDIARIES  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**

**SUPPLEMENTAL SCHEDULES OF FINANCIAL POSITION NEIGHBORWORKS AMERICA  
(UNAUDITED)  
DECEMBER 31, 2020 AND 2019**

**Schedule I**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Notes Receivable - Roosevelt Center	\$ -	\$ 90,860
Notes Receivable - Hawks Arts & Enterprise Center	-	191,345
Notes Receivable - Elkhart Senior Housing	-	100,000
	<u>-</u>	<u>382,205</u>
<b>Total assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 382,205</u></b>
<b>Net Assets</b>		
With donor restrictions	\$ -	\$ 382,205
	<u>-</u>	<u>382,205</u>
<b>Total net assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 382,205</u></b>

**Schedule II**

	<u>2020</u>	<u>2019</u>
<b>Revenue, Gains, and Other Support</b>		
Expendable Grant - NeighborWorks America	\$ 219,083	\$ 255,000
Capital Grant - NeighborWorks America	50,000	75,000
	<u>269,083</u>	<u>330,000</u>
<b>Total revenue, gains and other support</b>	<b>269,083</b>	<b>330,000</b>
<b>Funds expended</b>	<u>269,083</u>	<u>330,000</u>
Change in net assets	-	-
Net assets released from restrictions	(382,205)	(163,802)
Net assets at beginning of year	<u>382,205</u>	<u>546,007</u>
<b>Net assets at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ 382,205</u></b>