



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B57177

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

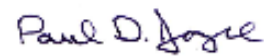
August 25, 2021

Board of Directors
The John H. Boner Community Center, Inc.
d/b/a John Boner Neighborhood Centers and Subsidiaries
2236 East 10th St.
Indianapolis, IN 46201

We have reviewed the audit report of The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries which was opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries 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, Greenwalt CPAs, Inc. 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

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

CONSOLIDATED FINANCIAL STATEMENTS
Together with Independent Auditors' Report
DECEMBER 31, 2020 AND 2019

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

TABLE OF CONTENTS

DECEMBER 31, 2020 AND 2019

Independent Auditors' Report.....	2
Independent Auditors' Report on Supplementary Information	3
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities	6
Consolidated Statements of Changes in Net Assets	7
Consolidated Statements of Cash Flows.....	8
Notes to Consolidated Financial Statements.....	10
Consolidating Statements of Financial Position	33
Consolidating Statements of Activities	35
Consolidating Statements of Cash Flows.....	37
Schedule of Expenditures of Federal Awards	41
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43
Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	45
Schedule of Findings and Questioned Costs	48
Corrective Action Plan.....	50



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of New Life Manor Apartments, LLC (NLM), Brookside Apartments, LP (BA), Jefferson Apartments, LP (JA), and IndyEast Homes, LP (IEH) which statements reflect total assets of \$13,406,169 and \$13,530,261 at December 31, 2020 and 2019, respectively, and total revenues of \$1,129,591 and \$1,018,365, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for NLM, BA, JA, and IEH, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

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

Supplementary Information

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

The supplementary information shown in Exhibits I through III is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Greenwald CPAs, Inc.

July 1, 2021

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,658,609	\$ 4,218,268
Cash - restricted	729,422	640,044
Grant reimbursements receivable	2,786,853	474,714
United Way receivables	489,467	592,953
Related party receivables, net	127,078	57,296
Notes receivable, current portion	-	2,159,433
Other receivables, net	73,516	125,751
Prepaid expenses	254,875	225,798
	<u>11,119,820</u>	<u>8,494,257</u>
<i>Total current assets</i>	11,119,820	8,494,257
LONG TERM INVESTMENTS	14,189,779	13,255,456
NOTES RECEIVABLE, NET OF CURRENT PORTION	2,033,167	-
PROPERTY AND EQUIPMENT, NET	<u>33,113,135</u>	<u>29,349,500</u>
	<u>\$ 60,455,901</u>	<u>\$ 51,099,213</u>
<i>Total assets</i>	<u>\$ 60,455,901</u>	<u>\$ 51,099,213</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 1,479,518	\$ 1,420,561
Accrued payroll	213,746	151,450
Related party payables	340,081	23,929
Other payables and accrued expenses	473,229	524,232
Deferred revenue	252,763	31,950
Refundable advance of PPP	783,000	-
Line of credit	-	342,500
Current maturities of notes and mortgages payable	101,008	1,064,749
	<u>3,643,345</u>	<u>3,559,371</u>
<i>Total current liabilities</i>	3,643,345	3,559,371
LONG-TERM LIABILITIES		
Notes and mortgages payable, net of current portion and financing fees	<u>7,979,379</u>	<u>4,249,729</u>
	<u>11,622,724</u>	<u>7,809,100</u>
<i>Total liabilities</i>	<u>11,622,724</u>	<u>7,809,100</u>

COMMITMENTS AND CONTINGENCIES (NOTES 12 AND 13)

NET ASSETS		
Without donor restrictions - controlling interest	27,393,812	26,128,837
Minority interest in net assets without donor restrictions	<u>5,814,685</u>	<u>5,281,698</u>
	<u>33,208,497</u>	<u>31,410,535</u>
<i>Total net assets without donor restrictions</i>	33,208,497	31,410,535
With donor restrictions - time or purpose	8,224,680	4,479,578
With donor restrictions - in perpetuity	<u>7,400,000</u>	<u>7,400,000</u>
	<u>48,833,177</u>	<u>43,290,113</u>
<i>Total net assets</i>	<u>48,833,177</u>	<u>43,290,113</u>
<i>Total liabilities and net assets</i>	<u>\$ 60,455,901</u>	<u>\$ 51,099,213</u>

**THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	TOTAL
REVENUE AND OTHER SUPPORT								
Direct Public Support								
Contributions	\$ 315,642	\$ -	\$ -	\$ 315,642	\$ 46,670	\$ -	\$ -	\$ 46,670
Special events, net of expense of \$6,500 in 2020 and \$21,811 in 2019	2,163	-	-	2,163	20,518	-	-	20,518
<i>Total direct public support</i>	<u>317,805</u>	<u>-</u>	<u>-</u>	<u>317,805</u>	<u>67,188</u>	<u>-</u>	<u>-</u>	<u>67,188</u>
Indirect Public Support								
United Way								
Support funds	1,180,759	-	-	1,180,759	704,718	-	-	704,718
Donor option	7,746	-	-	7,746	11,893	-	-	11,893
Grants and awards	2,709,097	5,276,653	-	7,985,750	2,788,621	542,750	-	3,331,371
<i>Total indirect public support</i>	<u>3,897,602</u>	<u>5,276,653</u>	<u>-</u>	<u>9,174,255</u>	<u>3,505,232</u>	<u>542,750</u>	<u>-</u>	<u>4,047,982</u>
Fees and Grants from Government and Other Agencies	<u>36,252,286</u>	<u>-</u>	<u>-</u>	<u>36,252,286</u>	<u>3,609,984</u>	<u>-</u>	<u>-</u>	<u>3,609,984</u>
Other Revenue								
Program service fees	88,572	-	-	88,572	233,030	-	-	233,030
Rent income and other charges	1,766,997	68,590	-	1,835,587	1,647,855	115,742	-	1,763,597
Investment income	997,233	-	-	997,233	1,464,025	-	-	1,464,025
Change in investment in subsidiaries	15,164	-	-	15,164	(57,794)	-	-	(57,794)
Other revenue	495,550	-	-	495,550	480,360	-	-	480,360
In-kind	202,752	-	-	202,752	252,092	-	-	252,092
<i>Total other revenue</i>	<u>3,566,268</u>	<u>68,590</u>	<u>-</u>	<u>3,634,858</u>	<u>4,019,568</u>	<u>115,742</u>	<u>-</u>	<u>4,135,310</u>
Net Assets Released from Restriction	<u>1,600,141</u>	<u>(1,600,141)</u>	<u>-</u>	<u>-</u>	<u>2,408,409</u>	<u>(2,408,409)</u>	<u>-</u>	<u>-</u>
<i>Total revenue and other support</i>	<u>45,634,102</u>	<u>3,745,102</u>	<u>-</u>	<u>49,379,204</u>	<u>13,610,381</u>	<u>(1,749,917)</u>	<u>-</u>	<u>11,860,464</u>
EXPENSES								
Salaries and wages	3,566,104	-	-	3,566,104	3,357,946	-	-	3,357,946
Employee benefits	455,188	-	-	455,188	471,410	-	-	471,410
Payroll taxes	352,947	-	-	352,947	333,178	-	-	333,178
Specific assistance	34,475,250	-	-	34,475,250	620,951	-	-	620,951
Leasing costs	22,488	-	-	22,488	28,645	-	-	28,645
Professional fees	268,875	-	-	268,875	580,722	-	-	580,722
Professional fees - other service providers	1,893,845	-	-	1,893,845	720,837	-	-	720,837
Management fee	10,276	-	-	10,276	-	-	-	-
Supplies	540,950	-	-	540,950	361,418	-	-	361,418
Telephone	87,149	-	-	87,149	45,697	-	-	45,697
Postage and shipping	9,906	-	-	9,906	2,840	-	-	2,840
Occupancy - rental, utilities, insurance	664,866	-	-	664,866	665,468	-	-	665,468
Occupancy - repairs, maintenance	166,498	-	-	166,498	332,909	-	-	332,909
Other repairs and maintenance	134,978	-	-	134,978	244,012	-	-	244,012
Conferences and meetings	58,474	-	-	58,474	104,948	-	-	104,948
Printing and publications	844	-	-	844	4,127	-	-	4,127
Travel and transportation	-	-	-	-	19,441	-	-	19,441
Contributions, dues and awards	90,043	-	-	90,043	214,347	-	-	214,347
Activity fees and charges	26,645	-	-	26,645	81,992	-	-	81,992
Interest	166,998	-	-	166,998	279,352	-	-	279,352
Other	319,201	-	-	319,201	188,463	-	-	188,463
In-kind	202,752	-	-	202,752	252,092	-	-	252,092
Bad debt	108,206	-	-	108,206	66,900	-	-	66,900
Gain on disposal of property and equipment	-	-	-	-	(159,512)	-	-	(159,512)
Depreciation and amortization	1,703,800	-	-	1,703,800	1,547,763	-	-	1,547,763
<i>Total expenses</i>	<u>45,326,283</u>	<u>-</u>	<u>-</u>	<u>45,326,283</u>	<u>10,365,946</u>	<u>-</u>	<u>-</u>	<u>10,365,946</u>
CHANGE IN NET ASSETS	<u>307,819</u>	<u>3,745,102</u>	<u>-</u>	<u>4,052,921</u>	<u>3,244,435</u>	<u>(1,749,917)</u>	<u>-</u>	<u>1,494,518</u>
CAPITAL CONTRIBUTIONS	<u>1,490,143</u>	<u>-</u>	<u>-</u>	<u>1,490,143</u>	<u>5,534,341</u>	<u>-</u>	<u>-</u>	<u>5,534,341</u>
NET ASSETS, BEGINNING OF YEAR	<u>31,410,535</u>	<u>4,479,578</u>	<u>7,400,000</u>	<u>43,290,113</u>	<u>22,631,759</u>	<u>6,229,495</u>	<u>7,400,000</u>	<u>36,261,254</u>
NET ASSETS, END OF YEAR	<u>\$ 33,208,497</u>	<u>\$ 8,224,680</u>	<u>\$ 7,400,000</u>	<u>\$ 48,833,177</u>	<u>\$ 31,410,535</u>	<u>\$ 4,479,578</u>	<u>\$ 7,400,000</u>	<u>\$ 43,290,113</u>

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

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	CONTROLLING INTEREST			TOTAL	MINORITY INTEREST	TOTAL
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY			
NET ASSETS, JANUARY 1, 2019	\$ 21,593,305	\$ 6,229,495	\$ 7,400,000	\$ 35,222,800	\$ 1,038,454	\$ 36,261,254
CAPITAL CONTRIBUTION	-	-	-	-	5,534,341	5,534,341
CHANGE IN NET ASSETS	<u>4,535,532</u>	<u>(1,749,917)</u>	<u>-</u>	<u>2,785,615</u>	<u>(1,291,097)</u>	<u>1,494,518</u>
NET ASSETS, DECEMBER 31, 2019	26,128,837	4,479,578	7,400,000	38,008,415	5,281,698	43,290,113
CAPITAL CONTRIBUTION	-	-	-	-	1,490,143	1,490,143
CHANGE IN NET ASSETS	<u>1,264,975</u>	<u>3,745,102</u>	<u>-</u>	<u>5,010,077</u>	<u>(957,156)</u>	<u>4,052,921</u>
NET ASSETS, DECEMBER 31, 2020	<u>\$ 27,393,812</u>	<u>\$ 8,224,680</u>	<u>\$ 7,400,000</u>	<u>\$ 43,018,492</u>	<u>\$ 5,814,685</u>	<u>\$ 48,833,177</u>

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

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

Page 1 of 2

INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from organizations and others	\$ 49,586,718	\$ 12,351,387
Cash paid to suppliers, employees, and others	(45,592,859)	(10,098,693)
Interest paid	(114,597)	(234,231)
Investment income received	218,844	386,603
	<u>4,098,106</u>	<u>2,405,066</u>
<i>Net cash, cash equivalents, and restricted cash provided by operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	71,553	1,104,341
Purchases of investments	(211,170)	(3,261,061)
Proceeds from disposal of property and equipment	-	378,509
Acquisition of property and equipment	(1,390,399)	(1,380,400)
Payments received from notes receivable	150,000	650,107
Investments made in notes receivable	(240,696)	(1,672,922)
	<u>(1,620,712)</u>	<u>(4,181,426)</u>
<i>Net cash, cash equivalents, and restricted cash used in investing activities</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments on line of credit	(342,500)	(157,500)
Principal payments on notes and mortgages payable	(1,138,818)	(4,724,976)
Cash inflow from note payable	43,500	-
Payment of financing fees	-	(43,500)
Capital contributions received	1,490,143	5,534,341
	<u>52,325</u>	<u>608,365</u>
<i>Net cash, cash equivalents, and restricted cash provided by financing activities</i>		
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	2,529,719	(1,167,995)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	<u>4,858,312</u>	<u>6,026,307</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	<u>\$ 7,388,031</u>	<u>\$ 4,858,312</u>
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchase of property and equipment with loan proceeds	\$ 3,817,432	\$ 2,200,444

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

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

Page 2 of 2

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

	<u>2020</u>	<u>2019</u>
CHANGE IN NET ASSETS	\$ 4,052,921	\$ 1,494,518
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	1,703,800	1,547,763
Gain on disposal of property and equipment	-	(159,512)
Unrealized gains on investments	(778,389)	(1,077,422)
Change in investment in subsidiary	(15,164)	57,794
<i>(Increase) decrease in operating assets</i>		
Grant reimbursements receivable	(2,312,139)	116,735
United Way receivables	103,486	(249,497)
Related party receivables, net	(69,782)	43,271
Other receivables, net	52,235	78,768
Prepaid expenses	(29,077)	(79,985)
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	58,957	585,687
Accrued payroll	62,296	24,291
Related party payables	316,152	22,429
Other payables and accrued expenses	(51,003)	1,002
Deferred revenue	220,813	(776)
Refundable advance of PPP	783,000	-
<i>Total adjustments</i>	<u>45,185</u>	<u>910,548</u>
NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 4,098,106</u>	<u>\$ 2,405,066</u>

**THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

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

Near Eastside Holding Corporation (Near Eastside Holding) was formed as a for-profit subsidiary of the Center in 2006 to participate in the low income housing tax credit program as required by the Internal Revenue Code. Near Eastside Holding is a wholly-owned subsidiary of the Center and is a general partner in Brookside Apartments, LP, Jefferson Apartments, LP, Indy East Homes, LP, The Union at Thomas Gregg, LP (formerly Moving Forward 2.0, LLC), and Byrne Court, LP.

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

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

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

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

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

Brookside Apartments, LP (BA) was formed in 2006 to purchase the Brookside Apartment's building. Near Eastside Holding is the .01% general partner in the partnership. BA provides 24 affordable apartments.

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

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

DESCRIPTION OF ORGANIZATION, CONTINUED

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

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

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

During 2019, the Center created Marvin Gardens Construction, LLC (MG) to serve as the general contractor for the Center's affordable housing projects. The Center is the sole member of the LLC.

Byrne Court, L.P. (Byrne, L.P.) was formed in 2019 for the sole purpose of acquiring, constructing, rehabilitating, developing, improving, maintaining, owning, and operating 50 units of affordable housing located at 1411 E. Market Street. Byrne L.P. was organized exclusively to provide housing facilities for persons of low and moderate income, or for persons whose income does not exceed certain poverty limitations. The Center owns 99.99% and Near Eastside Holdings owns .01% of Byrne, LP.

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

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

DESCRIPTION OF ORGANIZATION, CONTINUED

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

BASIS OF ACCOUNTING AND USE OF ESTIMATES

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

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Center, Near Eastside Holding, NLM, BP, JHBCC, Byrne, Brookside Commercial, BA, JA, NELC, the Union, IEH, MG, and Byrne, L.P. (collectively referred to as the Organization) which are considered related organizations. As the general partner of JA, The Union, IEH, and BA, the Center has substantial control of these entities and thus consolidation is required. All material intercompany accounts and transactions between the consolidated organizations have been eliminated.

CASH AND CASH EQUIVALENTS

The Organization considers all liquid investments, except restricted cash, with original maturities of three months or less to be cash equivalents. There were cash equivalents of \$2,675,602 and \$2,655,658 at December 31, 2020 and 2019, respectively. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020 and 2019, the Center held cash in excess of FDIC limits of approximately \$5.7 million and \$3.5 million, respectively.

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

OTHER RECEIVABLES

Other receivables include uncollateralized tenant obligations due under normal terms requiring rental payment on the 1st day of each month. Unpaid amounts remain in receivables while a tenant remains a building resident. Other receivables are stated at the billed amount for monthly tenant payments due and must be kept current as a condition of residency. NLM, BP, Byrne, BA, JA, and IEH receive subsidy amounts from the U.S. Department of Housing and Urban Development (HUD) that represent the difference between the HUD determined contract rent and the amount calculated for tenant payments. HUD subsidies are normally received on the 1st day of the month for the current month. Unpaid HUD subsidies represent amounts claimed by the project on a monthly voucher, but unpaid by HUD. Payments are allocated against specific rental amounts due as identified by tenants or, if unspecified, are applied to the earliest unpaid invoices.

Receivables are stated at the amount management expects to collect from outstanding balances. Management had estimated an allowance for doubtful accounts related to other receivables of \$10,701 and \$8,731 as of December 31, 2020 and 2019, respectively.

INVESTMENTS

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

	<u>2020</u>	<u>2019</u>
Long-term investments		
Equities	\$ 5,150,120	\$ 4,488,813
Corporate bonds	4,995,347	4,628,724
Cash held for future investment	147,196	258,836
HealthNet Peoples Health Center, LLC	1,160,029	1,194,863
Sawtooth, LLC	1,470	490
Phillip Rogers, LLC	42,140	40,425
PR Mallory, LLC, and its related entities	<u>2,693,477</u>	<u>2,643,305</u>
	<u>\$ 14,189,779</u>	<u>\$ 13,255,456</u>

The Organization's cash held for future investment is recorded at cost at December 31, 2020 and 2019.

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INVESTMENTS, CONTINUED

In 2016, the Organization received a contribution of a 23% interest in HealthNet Peoples Health Center, LLC, an Indiana limited liability company. The value of the Organization's investment, based on the assigned interest, was \$1,300,000 at contribution date. This investment is adjusted annually based on the Organization's share of income or loss and recorded based on the equity method. Investments in PR Mallory, LLC and its related entities, Sawtooth, LLC and Phillip Rogers, LLC are also equity-method investments. These investments are adjusted annually based on the Organization's share of income or loss.

PROPERTY AND EQUIPMENT

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

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

REFUNDABLE ADVANCE OF PAYCHECK PROTECTION PROGRAM

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which includes a Small Business Paycheck Protection Program ("PPP") under the auspices of the federal Small Business Administration ("SBA"). These funds can be used for costs related to payroll, employee health care, rent, and utilities. On April 16, 2020, the Center received \$783,000 from a financial institution under the PPP. The interest rate is 1%, the loan term is two years which begins after the lender makes a determination on forgiveness or 10 months after the 24-week expenditure period. However, to the extend the funds are used for qualifying expenses under the program, the Center may apply for loan forgiveness.

The Center expects to meet the PPP's eligibility criteria and has concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven. As such, the Center has elected to account for the loan as a conditional grant in accordance with FASB ASC 958-605. As such, the loan has been presented as a refundable advance in the statement of financial position. When the Center meets the conditions of forgiveness, the loan will be recognized as grant income. Subsequent to year-end, the Center applied for forgiveness.

NET ASSETS

The Organization maintains the following classifications of net assets:

Net Assets without Donor Restrictions

These include general assets and liabilities of the Organization which may be used at the discretion of management and Board of Directors to support the Organization's purposes and operations. At December 31, 2020 and 2019, the Board has designated net assets of \$878,849 and \$220,000, respectively, to cover general operating expenses.

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net Assets with Donor Restrictions

These include assets of the Organization related to gifts and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions through net assets released from restrictions.

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

	<u>2020</u>	<u>2019</u>
NELC maintenance fund	\$ 713,428	\$ 713,428
Replacement reserve	315,814	293,076
Sustainability and infrastructure	429,933	250,000
Arts and culture initiatives	1,654,347	2,714,904
Other programs	5,111,158	508,170
	<u>\$ 8,224,680</u>	<u>\$ 4,479,578</u>

Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. These are resources whose use by the Organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. Net assets restricted in perpetuity were \$7,400,000 at December 31, 2020 and 2019. See Note 10.

CONTRIBUTIONS AND PLEDGES

Contributions are recognized when the donor makes an unconditional promise to give to the Organization and are recorded at their fair values as revenues and assets in the period the promise was received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions through net assets released from restrictions in the statements of activities.

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

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

GOVERNMENT GRANTS

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

IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions of \$202,752 and \$252,092 in 2020 and 2019, respectively. The majority of these donations related to food and beverage for events, volunteer fitness instructors, and professional services.

EXPENSE ALLOCATION

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

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

	<u>2020</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs	\$ 4,168,650	\$ 196,841	\$ 8,748	\$ 4,374,239
Specific assistance	34,215,200	248,984	11,066	34,475,250
Professional services	700,785	1,399,725	62,210	2,162,720
Occupancy	1,550,374	73,208	3,253	1,626,835
Depreciation and amortization	1,623,721	76,671	3,408	1,703,800
Other operational	937,217	44,255	1,967	983,439
	<u>\$ 43,195,947</u>	<u>\$ 2,039,684</u>	<u>\$ 90,652</u>	<u>\$ 45,326,283</u>

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

EXPENSE ALLOCATION, CONTINUED

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

SUBSEQUENT EVENTS

Subsequent events have been considered through July 1, 2021, which was the date the financial statements were available to be issued. See Note 15.

2. **TAX STATUS**

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

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

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

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

3. **AVAILABLE RESOURCES AND LIQUIDITY**

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

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

3. AVAILABLE RESOURCES AND LIQUIDITY, CONTINUED

The Organization receives significant funding with donor restrictions to be used in accordance with the associated purpose restrictions. The Organization has an endowment fund with a value of \$8,170,379 and \$8,496,981 as of December 31, 2020 and 2019, respectively, with perpetual restrictions on the corpus. Although the Organization does not intend to spend from the principal of the endowment fund, earnings from the endowment fund could be made available for general and/or designated expenditures as part of its annual budget approval and appropriation process. However, should the baseline value of the endowment be equal to or less than \$7.4 million, the maximum allocable basis shall be 2% of the endowment.

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

	<u>2020</u>	<u>2019</u>
Financial assets at year-end		
Cash	\$ 6,658,609	\$ 4,218,268
Cash – restricted	729,422	640,044
Grant reimbursements receivable	2,786,853	474,714
United Way receivables	489,467	592,953
Related party receivables	127,078	57,296
Notes receivables, net	2,033,167	2,159,433
Other receivables, net	73,516	125,751
Investments	<u>14,189,779</u>	<u>13,255,456</u>
Total financial assets available	<u>27,087,891</u>	<u>21,523,915</u>
Financial assets not available		
Investments in subsidiaries	(3,897,116)	(3,879,083)
Long-term notes receivable	(23,734)	-
Board designated net assets	(878,849)	(220,000)
Cash – restricted	(729,422)	(640,044)
Net assets with donor imposed restrictions – time and purpose	(8,224,680)	(4,479,578)
Net assets with donor imposed restrictions – in perpetuity	<u>(7,400,000)</u>	<u>(7,400,000)</u>
Total financial assets not available for use	<u>(21,153,801)</u>	<u>(16,618,705)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 5,934,090</u>	<u>\$ 4,905,210</u>

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

4. **CASH - RESTRICTED**

NLM, BP, Byrne, BA, JA and IEH maintain cash balances that are to be used for future capital projects and improvements. NLM, Byrne, BA, and JA are required to set aside amounts for the replacement of property and other expenditures. For NLM and Byrne, HUD restricted deposits are held in separate accounts and generally are not available for operating purposes. Accordingly, these amounts have been recorded as restricted on the statement of financial position. Cash restricted for replacement reserve was \$698,646 and \$609,269 at December 31, 2020 and 2019, respectively.

The Center maintains a cash balance that is to be used for the Super Bowl Legacy project. The restricted deposits are held in a separate account and are not available for general operating purposes. This amount has been recorded as restricted cash on the statement of financial position. Cash restricted for the Super Bowl Legacy project was \$27,739 at December 31, 2020 and 2019.

The Center has cash restricted for the Assets for Independence program of \$3,037 and \$3,036 at December 31, 2020 and 2019, respectively.

5. **FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

		Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
<u>2020</u>				
Equity securities	\$ 5,150,120	\$ 5,150,120	\$ -	\$ -
Corporate bonds	<u>4,995,347</u>	<u>4,995,347</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 10,145,467</u>	<u>\$ 10,145,467</u>	<u>\$ -</u>	<u>\$ -</u>

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

5. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

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

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

Investments are recorded at fair value in the consolidated statements of financial position. Unrealized gains and losses represent the change in fair value of investments during the period and are recorded in the statement of activities. The cost of corporate bonds and equities and was \$8,550,680 and \$8,089,841 at December 31, 2020 and 2019, respectively.

6. NOTES RECEIVABLE

- a. In April 2018, the Center entered into a loan agreement with NEAR for the revitalization of homes on the Near Eastside of Indianapolis. The loan funds will be advanced as needed to NEAR up to \$800,000, at annual interest rate of 3.75%, compounded monthly. The loan originally matured in April 16, 2019; however, was extended to June 30, 2020. The balance of the loan is \$0 and \$150,000 at December 31, 2020 and 2019, respectively.
- b. In December 2017, the Center entered into a loan agreement with Inspire. The loan funds, including interest, advanced on an as needed basis to Inspire up to \$400,000 at an annual interest rate of 1%. In 2019, the Center extended another \$100,000 to Inspire under this same loan. The balance was \$472,254 as of December 31, 2020 and 2019. This loan is due in December 2023.
- c. In December 2019, the Center entered into a loan agreement with Inspire. The loan funds totaled \$565,858, bearing interest at a rate of 3.5% annually. The balance was \$565,858 as of December 31, 2020 and 2019. This loan is due in December 2023.
- d. In December 2019, the Center entered into a loan agreement with Inspire. The loan funds, including interest, are advanced on an as needed basis up to \$1,000,000 for structural improvement costs at an annual interest rate of 1%. The balance was \$995,055 and \$971,321 as of December 31, 2020 and 2019, respectively. This loan is due in December 2023.

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

7. PROPERTY AND EQUIPMENT

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

	<u>2020</u>	<u>2019</u>
Buildings	\$ 38,551,784	\$ 33,295,846
Leasehold improvements	318,905	223,705
Furnishings and office equipment	6,344,116	5,300,643
Autos and trucks	236,651	230,633
	<u>45,451,456</u>	<u>39,050,827</u>
Accumulated depreciation	<u>(17,106,412)</u>	<u>(15,433,352)</u>
	28,345,044	23,617,475
Land and land improvements	4,005,949	3,234,373
Real estate held for sale	36,965	36,965
Construction in progress	725,177	2,460,687
	<u>\$ 33,113,135</u>	<u>\$ 29,349,500</u>

At December 31, 2020 and 2019, interest of \$0 and \$3,790, respectively, was capitalized as a part of property and equipment when constructed using loan proceeds. At December 31, 2020, construction in process relates to the multiple property renovations under Byrne, L.P. and technology projects in process at the Center. At December 31, 2019, construction in process relates to The Union 30-unit multi-family apartment building, which is being funded via construction loans (See Note 9).

8. LINE OF CREDIT

The Center has a revolving line of credit with a bank for \$1,300,000, which expires in October 2021. Interest payable on the line of credit is calculated monthly at the Prime Index rate plus 0.05% (3.30% and 4.80% December 31, 2020 and 2019, respectively). There was no outstanding balance at December 31, 2020. The amount outstanding on the line was \$342,500 at December 31, 2019. Borrowings under this agreement are collateralized by the Center's assets.

9. NOTES AND MORTGAGES PAYABLE

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

	<u>2020</u>	<u>2019</u>
a. The Center has a promissory note with State Farm Mutual Insurance Company to support housing redevelopment in the neighborhood. The unpaid principal of the note bears an interest rate of 3.50%. The note was paid off in full in June 2020.	\$ -	\$ 964,500

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

9. NOTES AND MORTGAGES PAYABLE, CONTINUED

b. NLM has a mortgage that is payable in monthly installments of \$5,808 including principal and interest of 2.90% through November 2051. The mortgage includes a prepayment premium through November 2051. The mortgage also requires monthly deposits to a reserve and replacement fund.	1,421,906	1,449,930
c. Brookside Apartments obtained a mortgage from IFF in the amount of \$315,000. The mortgage is payable in monthly installments of \$1,946 including principal and interest of 5.375% through September 2024. The loan is secured by a mortgage on certain real estate.	228,535	239,293
d. Byrne has a mortgage loan under the provisions of Section 202 of the National Housing Act. The mortgage is payable in monthly installments of \$7,368 including principal and interest of 3.08%, through September 2026. The mortgage also requires monthly deposits to a reserve and replacement fund.	1,430,241	1,473,879
e. The Center also obtained a loan to purchase a vehicle in the amount of \$42,961 payable in monthly installments of \$902 and which bears interest at 9.94% per month through June 2024. The Loan was paid off prior to its maturity date in December of 2020.	-	39,098
f. The Union obtained a construction loan in October 2019 in the amount of \$500,000 which bears interest at 3.00% per annum and will be due in the 12th month after the lender issues a notice of conversion which could take place no later than 24 months after the issuance of the loan.	500,000	500,000
g. The Union obtained a loan in the maximum amount of \$5,200,000 which bears an interest rate at 265 basis points over 30 day LIBOR (2.81% at December 31, 2020). The loan will become due April 1, 2022.	4,099,931	282,499
h. IEH obtained a loan in the maximum amount of \$330,000 which bears interest at 5.50% per annum and will be due in November 2034.	314,957	330,000
i. IEH has a construction loan that converted in November 2019. The loan bears interest at 3.00% per annum and is due November 2034.	203,275	203,275
	<u>8,198,845</u>	<u>5,482,474</u>
Less: current maturities	(101,008)	(1,064,749)
Less: unamortized financing fees	(118,458)	(167,996)
	<u>\$ 7,979,379</u>	<u>\$ 4,249,729</u>

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

9. NOTES AND MORTGAGES PAYABLE, CONTINUED

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

2021	\$	101,008
2022		4,202,140
2023		105,994
2024		109,946
2025		293,288
Thereafter		<u>3,386,469</u>
	\$	<u>8,198,845</u>

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

10. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL ENDOWMENT FUNDS

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

APPLICATION OF UPMIFA

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

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

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

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

10. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL ENDOWMENT FUNDS, CONTINUED

RETURN OBJECTIVES AND RISK PARAMETERS

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

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

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

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY, CONTINUED

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

EXPENDITURES OF FUNDS

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

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

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

10. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL ENDOWMENT FUNDS, CONTINUED

EXPENDITURES OF FUNDS, CONTINUED

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

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

<u>2020</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions – Held in Perpetuity</u>	<u>Total</u>
Perpetual Endowment net assets, beginning of year	\$ 1,096,981	\$ 7,400,000	\$ 8,496,981
Distributions	(1,169,101)	-	(1,169,101)
Investments gains, net	842,499	-	842,499
Endowment net assets, end of year	<u>\$ 770,379</u>	<u>\$ 7,400,000</u>	<u>\$ 8,170,379</u>

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

11. RELATED PARTY TRANSACTIONS

At December 31, 2020 and 2019, the Center had accounts receivable due from NEAR of \$3,000 and \$5,102, respectively. NEAR is a partner agency on various Near Eastside of Indianapolis building projects. See also Note 6 for notes receivable information.

During fiscal year 2020, the CEO of the Center was a board member of the Near Eastside Innovation School Corporation. The Center had \$107,467 and \$48,163 receivable from this organization at December 31, 2020 and 2019, respectively.

At December 31, 2020, the Center had accounts receivable due from a building tenant who is also on the Board of Directors of the Center of \$5,457.

At December 31, 2020 and 2019, the Center had a \$8,754 and \$4,031 receivable due from organizations of which the Center owns 49%, respectively. At December 31, 2020, the Center had a \$2,400 receivable due from an organization of which the Center owns 23%.

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

11. RELATED PARTY TRANSACTIONS, CONTINUED

The Center entered into an agreement with PR Mallory, LLC to provide development services for the rehabilitation of the PR Mallory property. At December 31, 2020, the full balance of the fee was earned and is reflected as a related party receivable in the amount of \$1,427,915. The Center has recorded an allowance for the full amount of the receivable.

At December 31, 2020 and 2019, the Center had a \$38,350 and \$19,729 payable due to an organization of which the Center owns 49%, respectively.

In May 2019, the Center entered into a consulting agreement with Milestone Ventures, LLC for the development of The Union Project. During 2020, \$133,955 in fees were earned and \$63,955 remains payable as of December 31, 2020. During 2019, \$30,000 in fees were earned and \$13,955 remains payable as of December 31, 2019. A key member of management of Milestone Ventures, LLC is on the Board of Directors of the Center.

BMO Harris Bank is entitled to receive an asset management fee from JA, per the partnership agreement, in the amount of \$2,500 per year. The cumulative fee is payable out of available cash flow, as defined in the partnership agreement. Fees of \$2,500 were earned and paid in the years ended 2020 and 2019. A Center board member is an employee of BMO Harris Bank.

Great Lakes Capital Fund for Housing Nonprofit Housing Corporation, a limited partner of BA, is entitled to receive an annual investor services fee from BA in the amount of \$1,500 per year. The noncumulative fee is payable out of available cash flow, as defined in the partnership agreement. No fee was earned in 2020 and 2019. Accounts payable – related parties included a balance due of \$1,500 at December 31, 2020 and 2019.

IEH entered into a construction contract with TWG Construction, LLC (the “Contractor”), the owner of which is on the Board of Directors of the Center. The original amount of the contract was for \$3,948,188, which increased by change orders of \$342,376 to \$4,290,564. At December 31, 2019, the entire contract had been earned, paid and capitalized into property and equipment.

IEH entered into a Consultant Agreement with Milestone Ventures, LLC, the owner of which is on the Board of Directors of the Center, to provide services set forth in the Consultant Agreement. This agreement provides for a consulting fee of \$368,206. As of December 31, 2019, the entire fee has been earned and capitalized into property and equipment. During the years ended December 31, 2020 and 2019, consulting fees totaling \$178,086 and \$106,383, respectively, were paid. There is no balance payable at December 31, 2020.

IEH pays an annual investor services fee to its Investor Limited Partner. During 2020 and 2019, a fee of \$2,781 and \$2,700 was earned and \$5,481 and \$2,700 remains payable at December 31, 2020 and 2019, respectively.

In December 2019, Byrne, L.P. entered into a consulting agreement with Milestone Ventures, LLC totaling \$655,000 for the development of Byrne, L.P. housing project. During 2020, \$294,750 in fees were earned and remain payable as of December 31, 2020. A key member of management of Milestone Ventures, LLC is on the Board of Directors of the Center. The Center was the initial limited partner of Byrne, L.P.

The Union shall pay an annual investor service fee to its Investor Limited Partner commencing in 2021 and increasing 3% per year thereafter. No fee was due or earned at December 31, 2020.

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

11. RELATED PARTY TRANSACTIONS, CONTINUED

The Union entered into a construction contract with MG, an affiliate of the Center, for construction of the Project. The total amount of the contract, including change orders, was \$5,840,605.

12. CONTINGENCIES AND COMMITMENTS

Near Eastside Holding has executed a guaranty agreement for BA and JA under which they guarantee to advance funds to the extent needed to make operating deficit contributions. In addition, they guarantee to advance funds to the extent needed to make all payments to the operating and replacement reserves, to return limited partner contributions due to tax credit shortfalls, to purchase the limited partner's interest in the Partnerships, and to make a capital contribution sufficient to satisfy any remaining unpaid portion of the development fee in the event the entire development fee has not been paid within 15 years of completion of the project. No funds were advanced in 2020 or 2019.

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

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

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

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

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

12. CONTINGENCIES AND COMMITMENTS, CONTINUED

MG has committed to a construction contract in connection with the Byrne, L.P. for \$3,420,000. Construction is expected to be completed by March 2022.

In accordance with the Partnership Agreement, operating deficits incurred prior to 15 years from and after the date The Union achieves Underwritten Operations which are not paid from the Operating Reserves, will be funded by funds loaned from the General Partner to The Union. The General Partner's obligation shall not exceed six months' operating expenses and required replacement reserves or \$92,637. The amounts advanced are to be treated as unsecured, non-interest-bearing loans. No funds were advanced as of December 31, 2020.

Per the guaranty agreement, Near Eastside Holding and the Center will advance funds to The Union to the extent needed to make operating deficit contributions. In addition, it guarantees to advance funds to the extent needed to make all payments to the operating and replacement reserves, to return Investor Limited Partner contributions due to tax credit shortfalls, to purchase the Investor Limited Partner's interest in the Partnership if the Investor Limited Partner executes its put right, and to make the payment by the General Partner of a capital contribution sufficient to satisfy any remaining unpaid portion of the development fee that has not been paid. No funds have been advanced as of December 31, 2020.

The Union has qualified for and been allocated low-income housing tax credits under Section 42 of the Internal Revenue Code ("Section 42") which regulates the use of the Project as to occupant eligibility and gross unit rent, among other requirements. Tenants must meet certain income age qualifications to live in the apartments and rents paid by the tenants cannot exceed limits established by Section 42. In addition, the land is subject to an extended use agreement even if The Union disposes of the Project.

13. OPERATING LEASES

The Center leased office equipment under various operating leases that expire annually. Lease expense for these items was \$640 and \$610 in 2020 and 2019, respectively.

The Organization leases space to several organizations under operating leases that have various expiration dates through 2021. Lease income for the years ended December 31, 2020 and 2019 was \$19,328 and \$54,515, respectively. These leases are subject to renewal on an annual basis.

**THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
NEIGHBORHOOD CENTERS AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

14. FEDERAL, STATE, AND LOCAL GRANT AWARDS

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

Program Name	Grantor Name	CFDA	Revenue	Expense	Funding Type
Career Coaching Funding Grant	State of Indiana Workforce Cabinet	N/A	\$ 10,000	\$ 10,000	State or local government
Support of COVID – 19 Relief Efforts	City of Indianapolis- Department of Metropolitan Development	N/A	3,500,000	1,568,479	State or local government
Coaching & CWF Services/ Communications Coordinator	EmployIndy	N/A	70,000	-	Fee for service
JBNC Excellence, Discovery, Growth through Education	Drug Free Marion County	N/A	23,035	23,035	State and local government
Housing Counseling Assistance Program	Indiana Housing & Community Development Authority	14.169	9,575	9,575	Federal grant passed through state or local government
CDBG Summer Camp	City of Indianapolis Marion County	14.218	18,000	18,000	Federal grant passed through state or local government
Lift JBNC Job Training Program	City of Indianapolis Marion County	14.218	12,901	12,901	Federal grant passed through state or local government
Non-Residential Historic Preservation	City of Indianapolis Marion County	14.218	17,120	17,120	Federal grant passed through state or local government
CDBG-CV JBNC Building Retrofit	City of Indianapolis Marion County	14.218	84,050	84,050	Federal grant passed through state or local government
Community Builder	Local Initiative Support Corporation	14.252	15,000	15,000	Federal grant passed through state or local government

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

14. **FEDERAL, STATE, AND LOCAL GRANT AWARDS, CONTINUED**

Housing Stability for School Success - Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	The Indianapolis Housing Authority	14.856	705,438	705,438	Federal grant passed through state or local government
Community-Based Crime Reduction Program	U.S. Department of Justice	16.817	53,354	53,354	Direct federal grant
DOL Reentry Project	Local Initiative Support Corporation	17.270	126,620	126,620	Federal grant passed through state or local government
COVID-19 Rental Assistance Program Funds	Consolidated City of Indianapolis and Marion County.	21.019	33,100,000	33,630,818	Federal grant passed through state or local government
Volunteer Income Tax Assistance Grant Program - Central Indiana	United Way of Central Indiana, Inc.	21.009	28,194	28,194	Federal grant passed through state or local government
IndyEast Achievement Zone Initiatives Full-Service Community Schools Program	U.S. Department of Education	84.215	241,346	241,346	Direct federal grant
21st Century Community Learning Centers	Near Eastside Innovation School Corp	84.287	105,683	105,683	Federal grant passed through state or local government
21st Century Community Learning Centers	Indiana Department of Education	84.287	342,787	342,787	Federal grant passed through state or local government
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	Central Indiana Council on Aging	93.043	3,000	3,000	Federal grant passed through state or local government
ECCS- CollIN	Indiana State Department of Health	93.110	134,021	134,021	Federal grant passed through state or local government
Low-Income Home Energy Assistance Program	United Way of Central Indiana, Inc.	93.568	356,842	356,842	Federal grant passed through state or local government

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER
 NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

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

Low-Income Home Energy Assistance Program	Indiana Housing and Community Development Authority	93.568	238,249	238,249	Federal grant passed through state or local government
Assets for Independence	Indiana Housing & Community Development Authority	93.602	26,427	26,427	Federal grant passed through state or local government
AmeriCorps	Serve Indiana, Indiana Department of Workforce Development	94.006	68,248	68,248	Federal grant passed through state or local government
Great Families 2020	United Way of Central Indiana	94.019	222,607	222,607	Federal grant passed through state or local government
Marion County Emergency Food and Shelter Program	Marion County EFSP Board	97.024	13,291	12,495	Federal grant passed through state or local government
Total funding			\$ 39,525,788	\$ 38,054,289	

15. SUBSEQUENT EVENTS

There was a fifth amendment to the Rental Assistance Program signed in 2021. The amendment extended the Agreement term through March 31, 2021. No programs funds were allowed to be distributed after this date. On May 1, 2021, a final statement of program funds disbursed is to be submitted to the city.

In February 2021, the Center, as initial limited partner of Byrne, L.P., exited the limited partner role as part of the closing on low income housing tax credit financing for the rehabilitation of the Byrne Court Apartment building. The partnership share was purchased by Cinnaire Fund for Housing Limited Partnership 35 at the interest buyout price. Cinnaire Fund for Housing Limited Partnership 35 is the investor limited partner owning 99.99% of Byrne, L.P., with Near Eastside Holding owning the remaining .01% as the general partner. As part of the closing, all assts of Byrne were transferred to Byrne, LP.

In April 2021, the Center has continued its agreement with the City of Indianapolis for the IndyRents program, which provides direct rental assistance. The extension includes \$28 million in Emergency Rental Assistance Program funds from the US Department of the Treasury.

The Center has been awarded \$4 million in CDBG funds from the City for a supplemental utility assistance program.

SUPPLEMENTARY INFORMATION

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

Exhibit I
Page 1 of 2

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	THE UNION AT THOMAS GREGG, LP	INDEAST HOMES, LP	MARVIN GARDENS, LP	BYRNE COURT, LP	ELIMINATIONS	TOTAL
CURRENT ASSETS															
Cash and cash equivalents	\$ 5,759,096	\$ 20,635	\$ 92,210	\$ -	\$ 62,386	\$ 6,220	\$ 7,312	\$ 2,603	\$ 9,752	\$ 230,114	\$ 242,280	\$ 215,719	\$ 10,282	\$ -	\$ 6,658,609
Cash - restricted	30,776	187,430	72,018	-	79,440	-	114,137	86,577	-	-	159,044	-	-	-	729,422
Grant reimbursements receivable	2,786,853	-	-	-	-	-	-	-	-	-	-	-	-	-	2,786,853
United Way receivables	489,467	-	-	-	-	-	-	-	-	-	-	-	-	-	489,467
Related party receivables, net	6,750,276	15,858	984,793	-	48,275	38,624	26,337	-	3,917,722	3,338	186,664	188,973	-	(12,033,782)	127,078
Notes receivable, current portion	100,000	-	-	-	-	-	-	-	-	-	-	-	-	(100,000)	-
Other receivables, net	4,138	4,293	1,364	-	71	-	4,480	13,432	-	-	45,738	-	-	-	73,516
Prepaid expenses	98,700	7,532	5,412	107	9,813	10,173	3,773	5,481	2,297	99,813	6,397	5,377	-	-	254,875
Lease inducement fees, net	-	-	-	-	-	-	-	-	718,750	-	-	-	-	(718,750)	-
Investment in subsidiaries	2,501,250	-	-	-	-	-	-	-	-	-	-	-	-	(2,501,250)	-
<i>Total current assets</i>	<u>18,520,556</u>	<u>235,748</u>	<u>1,155,797</u>	<u>107</u>	<u>199,985</u>	<u>55,017</u>	<u>156,039</u>	<u>108,093</u>	<u>4,648,521</u>	<u>333,265</u>	<u>640,123</u>	<u>410,069</u>	<u>10,282</u>	<u>(15,353,782)</u>	<u>11,119,820</u>
LONG TERM INVESTMENTS	14,189,779	-	-	-	-	-	-	-	-	-	-	-	-	-	14,189,779
NOTES RECEIVABLE, NET OF CURRENT PORTION PROPERTY AND EQUIPMENT, NET	21,190,659	-	-	-	-	-	-	-	-	-	-	-	-	(19,157,492)	2,033,167
	666,287	471,438	1,952,471	242,690	822,467	3,626,212	2,495,516	3,240,521	8,247,475	7,120,613	6,056,691	-	888,425	(2,719,671)	33,113,135
<i>Total assets</i>	<u>\$ 54,567,281</u>	<u>\$ 707,186</u>	<u>\$ 3,108,268</u>	<u>\$ 242,797</u>	<u>\$ 1,022,452</u>	<u>\$ 3,681,229</u>	<u>\$ 2,651,555</u>	<u>\$ 3,348,614</u>	<u>\$ 12,895,996</u>	<u>\$ 7,453,878</u>	<u>\$ 6,698,814</u>	<u>\$ 410,069</u>	<u>\$ 898,707</u>	<u>\$ (37,230,945)</u>	<u>\$ 60,455,901</u>
CURRENT LIABILITIES															
Accounts payable	\$ 1,224,098	\$ 9,655	\$ 2,512	\$ -	\$ 8,761	\$ 11,138	\$ 5,967	\$ 14,142	\$ 6,722	\$ -	\$ 16,999	\$ 179,524	\$ -	\$ -	\$ 1,479,518
Accrued payroll	213,746	-	-	-	-	-	-	-	-	-	-	-	-	-	213,746
Related party payables	3,375,155	116,980	54,823	81,272	18,645	1,951,485	300,247	543,918	459,427	394,614	257,599	-	382,150	(7,596,234)	340,081
Other payables and accrued expenses	2,609,911	11,843	6,181	-	14,557	-	479,576	2,724,000	30,257	41,501	65,163	9,449	11,480	(5,530,689)	473,229
Deferred revenue	728,560	2,553	-	-	-	-	142	781	-	-	239,477	-	-	(718,750)	252,763
Refundable advance of PPP	783,000	-	-	-	-	-	-	-	-	-	-	-	-	-	783,000
Current maturities of notes and mortgages payable	-	28,848	-	-	45,002	-	11,351	-	-	-	115,807	-	-	(100,000)	101,008
<i>Total current liabilities</i>	<u>8,934,470</u>	<u>169,879</u>	<u>63,516</u>	<u>81,272</u>	<u>86,965</u>	<u>1,962,623</u>	<u>797,283</u>	<u>3,282,841</u>	<u>496,406</u>	<u>436,115</u>	<u>695,045</u>	<u>188,973</u>	<u>393,630</u>	<u>(13,945,673)</u>	<u>3,643,345</u>
LONG-TERM LIABILITIES															
Notes and mortgages payable, net of current portion and financing fees of \$118,458	-	1,328,513	-	-	1,338,445	-	873,305	1,290,753	13,858,875	5,099,931	1,332,425	-	505,001	(17,647,869)	7,979,379
<i>Total liabilities</i>	<u>8,934,470</u>	<u>1,498,392</u>	<u>63,516</u>	<u>81,272</u>	<u>1,425,410</u>	<u>1,962,623</u>	<u>1,670,588</u>	<u>4,573,594</u>	<u>14,355,281</u>	<u>5,536,046</u>	<u>2,027,470</u>	<u>188,973</u>	<u>898,631</u>	<u>(31,593,542)</u>	<u>11,622,724</u>
NET ASSETS (ACCUMULATED DEFICIT)															
Without donor restrictions - controlling interest	30,323,944	(902,362)	2,967,403	161,525	(530,266)	1,718,606	319,603	371,227	(1,459,285)	(251,445)	91,093	221,096	76	(5,637,403)	27,393,812
Minority interest in net assets without donor restrictions	-	-	-	-	-	-	661,364	(1,596,207)	-	2,169,277	4,580,251	-	-	-	5,814,685
<i>Total net assets (accumulated deficit) without donor restrictions</i>	<u>30,323,944</u>	<u>(902,362)</u>	<u>2,967,403</u>	<u>161,525</u>	<u>(530,266)</u>	<u>1,718,606</u>	<u>980,967</u>	<u>(1,224,980)</u>	<u>(1,459,285)</u>	<u>1,917,832</u>	<u>4,671,344</u>	<u>221,096</u>	<u>76</u>	<u>(5,637,403)</u>	<u>33,208,497</u>
With donor restrictions - time and purpose	7,908,867	111,156	77,349	-	127,308	-	-	-	-	-	-	-	-	-	8,224,680
With donor restrictions - in perpetuity	7,400,000	-	-	-	-	-	-	-	-	-	-	-	-	-	7,400,000
<i>Total net assets (accumulated deficit)</i>	<u>45,632,811</u>	<u>(791,206)</u>	<u>3,044,752</u>	<u>161,525</u>	<u>(402,958)</u>	<u>1,718,606</u>	<u>980,967</u>	<u>(1,224,980)</u>	<u>(1,459,285)</u>	<u>1,917,832</u>	<u>4,671,344</u>	<u>221,096</u>	<u>76</u>	<u>(5,637,403)</u>	<u>48,833,177</u>
<i>Total liabilities and net assets (accumulated deficit)</i>	<u>\$ 54,567,281</u>	<u>\$ 707,186</u>	<u>\$ 3,108,268</u>	<u>\$ 242,797</u>	<u>\$ 1,022,452</u>	<u>\$ 3,681,229</u>	<u>\$ 2,651,555</u>	<u>\$ 3,348,614</u>	<u>\$ 12,895,996</u>	<u>\$ 7,453,878</u>	<u>\$ 6,698,814</u>	<u>\$ 410,069</u>	<u>\$ 898,707</u>	<u>\$ (37,230,945)</u>	<u>\$ 60,455,901</u>

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

Exhibit I
Page 2 of 2

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	ELIMINATIONS	TOTAL
CURRENT ASSETS														
Cash and cash equivalents	\$ 3,600,753	\$ 1,923	\$ 9,970	\$ -	\$ 38,675	\$ 1,268	\$ 4,803	\$ 1,480	\$ 1,165	\$ 3,835	\$ 6,771	\$ 547,625	\$ -	\$ 4,218,268
Cash - restricted	30,775	180,520	71,979	-	58,560	-	103,351	111,059	-	83,800	-	-	-	640,044
Grant reimbursements receivable	474,714	-	-	-	-	-	-	-	-	-	-	-	-	474,714
United Way receivables	592,953	-	-	-	-	-	-	-	-	-	-	-	-	592,953
Related party receivables, net	6,062,809	-	943,129	-	-	50,210	41,463	-	3,439,288	10,100	30,985	423,013	(10,943,701)	57,296
Notes receivable, current portion	2,259,433	-	-	-	-	-	-	-	-	-	-	-	(100,000)	2,159,433
Other receivables, net	5,515	891	34,410	-	3,881	9,516	11,170	11,978	-	-	48,390	-	-	125,751
Prepaid expenses	53,563	7,414	7,845	104	65,401	11,080	2,544	5,347	2,957	51,250	7,536	10,757	-	225,798
Lease inducement fees, net	-	-	-	-	-	-	-	-	750,000	-	-	-	(750,000)	-
Investment in subsidiaries	2,526,570	-	-	-	-	-	-	-	-	-	-	-	(2,526,570)	-
<i>Total current assets</i>	15,607,085	190,748	1,067,333	104	166,517	72,074	163,331	129,864	4,193,410	65,185	177,482	981,395	(14,320,271)	8,494,257
INVESTMENTS	13,255,456	-	-	-	-	-	-	-	-	-	-	-	-	13,255,456
NOTES RECEIVABLE, NET OF CURRENT PORTION	18,811,901	-	-	-	-	-	-	-	-	-	-	-	(18,811,901)	-
PROPERTY AND EQUIPMENT, NET	531,876	499,773	2,021,081	242,690	879,731	3,032,384	2,587,455	3,353,577	8,573,772	2,742,664	6,428,031	-	(2,443,534)	29,349,500
<i>Total assets</i>	\$ 48,206,318	\$ 690,521	\$ 3,088,414	\$ 242,794	\$ 1,046,248	\$ 4,004,458	\$ 2,750,786	\$ 3,483,441	\$ 12,767,182	\$ 2,807,849	\$ 6,605,513	\$ 981,395	\$ (35,575,706)	\$ 51,099,213
CURRENT LIABILITIES														
Accounts payable	\$ 237,774	\$ 10,458	\$ 54,262	\$ -	\$ 10,035	\$ 20,403	\$ 20,354	\$ 38,078	\$ 5,976	\$ 92,186	\$ 81,924	\$ 849,111	\$ -	\$ 1,420,561
Accrued payroll	151,450	-	-	-	-	-	-	-	-	-	-	-	-	151,450
Related party payables	2,911,489	75,275	30,347	70,398	545,669	1,868,451	309,627	866,824	282,229	462,283	179,223	-	(7,577,886)	23,929
Other payables and accrued expenses	2,565,404	14,587	6,359	-	16,235	-	445,575	2,352,184	17,837	1,120	207,856	-	(5,102,925)	524,232
Deferred revenue	777,577	2,825	-	-	-	-	1,200	282	-	-	66	-	(750,000)	31,950
Line of credit	342,500	-	-	-	-	-	-	-	-	-	-	-	-	342,500
Current maturities of notes and mortgages payable	971,823	28,024	-	-	42,973	-	10,758	-	-	-	111,171	-	(100,000)	1,064,749
<i>Total current liabilities</i>	7,958,017	131,169	90,968	70,398	614,912	1,888,854	787,514	3,257,368	306,042	555,589	580,240	849,111	(13,530,811)	3,559,371
LONG-TERM LIABILITIES														
Notes and mortgages payable, net of current portion and financing fees of \$167,996	31,775	1,355,273	-	-	1,382,018	-	882,800	1,290,753	13,858,875	1,238,999	1,352,104	-	(17,142,868)	4,249,729
<i>Total liabilities</i>	7,989,792	1,486,442	90,968	70,398	1,996,930	1,888,854	1,670,314	4,548,121	14,164,917	1,794,588	1,932,344	849,111	(30,673,679)	7,809,100
NET ASSETS (ACCUMULATED DEFICIT)														
Without donor restrictions - controlling interest	28,636,279	(914,495)	2,919,722	172,396	(1,053,715)	2,115,604	319,613	(298)	(1,397,735)	10,082	91,127	132,284	(4,902,027)	26,128,837
Minority interest in net assets without donor restrictions	-	-	-	-	-	-	760,859	(1,064,382)	1,003,179	4,582,042	-	-	-	5,281,698
<i>Total net assets (accumulated deficit) without donor restrictions</i>	28,636,279	(914,495)	2,919,722	172,396	(1,053,715)	2,115,604	1,080,472	(1,064,680)	(1,397,735)	1,013,261	4,673,169	132,284	(4,902,027)	31,410,535
With donor restrictions - time and purpose	4,180,247	118,574	77,724	-	103,033	-	-	-	-	-	-	-	-	4,479,578
With donor restrictions - in perpetuity	7,400,000	-	-	-	-	-	-	-	-	-	-	-	-	7,400,000
<i>Total net assets (accumulated deficit)</i>	40,216,526	(795,921)	2,997,446	172,396	(950,682)	2,115,604	1,080,472	(1,064,680)	(1,397,735)	1,013,261	4,673,169	132,284	(4,902,027)	43,290,113
<i>Total liabilities and net assets (accumulated deficit)</i>	\$ 48,206,318	\$ 690,521	\$ 3,088,414	\$ 242,794	\$ 1,046,248	\$ 4,004,458	\$ 2,750,786	\$ 3,483,441	\$ 12,767,182	\$ 2,807,849	\$ 6,605,513	\$ 981,395	\$ (35,575,706)	\$ 51,099,213

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	SOCIAL SERVICES		NEW LIFE MANOR APARTMENTS		BONER PROPERTIES, LLC		JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS		BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	BYRNE COURT, LP	ELIMINATIONS	TOTAL	
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT																				
Direct Public Support																				
Contributions	\$ 315,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,642	
Special events, net of \$8,500 expense	2,183	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,183	
Total direct public support	317,825	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	317,825	
Indirect Public Support																				
Employee																				
Support funds	1,180,759	-	-	-	-	-	-	-	-	5,621	-	-	-	-	-	-	-	(5,621)	1,180,759	
Donor option	7,746	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,746	
Grants and awards	2,209,097	5,276,653	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,485,750	
Total indirect public support	3,397,602	5,276,653	-	-	-	-	-	-	-	5,621	-	-	-	-	-	-	-	(5,621)	8,673,253	
Fees and Grants from Government and Other Agencies	37,054,167	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(901,881)	36,252,286	
Other Revenue																				
Program service fees, net of membership discounts	96,390	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,818)	88,572	
Rent income and other charges	1,210	-	-	408,541	13,151	344,735	1,324	359,227	54,115	226,712	203,647	117,700	564,225	28,221	381,648	-	-	(868,269)	1,835,587	
Investment income	1,385,588	-	-	433	-	-	-	247	-	-	-	-	-	-	-	-	-	-	(589,035)	997,233
Change in investment in subsidiaries	(10,058)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,230	15,172
Other revenue	807,489	-	-	2,163	-	2,189	-	514,418	-	136	1,910	309	2,210	5,554	89	289,824	-	(1,110,741)	495,550	
In-kind	198,281	-	-	-	-	-	-	-	-	4,491	-	-	-	-	-	-	-	-	202,752	
Total other revenue	2,689,982	-	-	411,137	13,151	346,924	1,324	873,662	54,115	230,739	205,557	118,009	566,435	33,775	381,737	289,824	-	(2,552,643)	3,634,858	
Net Assets Released from Restrictions	1,548,033	(1,548,033)	-	20,369	(20,369)	1,699	(1,699)	29,840	(29,840)	-	-	-	-	-	-	-	-	-	-	
Total revenue and other support	45,496,489	3,728,620	-	431,706	(7,418)	348,623	(375)	903,732	24,275	236,300	205,557	118,009	566,435	33,775	381,737	289,824	-	(3,390,145)	49,379,204	
EXPENSES																				
Salaries and wages	3,600,614	-	-	90,752	-	49,106	-	54,858	-	98,517	33,997	20,359	-	30,893	77,127	-	-	(401,519)	3,566,104	
Employee benefits	466,110	-	-	14,843	-	5,093	-	11,309	-	16,058	-	-	2,311	3,322	7,860	-	-	(71,728)	455,188	
Payroll taxes	348,787	-	-	10,186	-	4,785	-	7,086	-	10,257	6,683	5,138	3,742	-	7,666	-	-	(51,363)	382,947	
Specific assistance	34,492,155	-	-	-	-	-	-	19,081	-	-	-	-	-	-	-	-	-	-	(35,968)	34,457,250
Leasing costs	20,582	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Professional fees	183,407	-	-	10,902	-	7,365	-	7,905	-	17,366	8,502	7,868	40,091	13,883	1,130	-	-	(26,179)	288,875	
Professional fees - other service providers	1,899,974	-	-	23,750	-	7,969	-	13,689	-	9,944	4,125	2,500	-	-	72,813	-	-	(140,918)	1,889,845	
Management fee	10,058	-	-	30,235	-	25,337	-	28,823	-	10,276	7,662	-	-	-	48,384	-	-	(137,581)	10,276	
Supplies	433,961	-	-	54,509	-	2,862	-	11,471	-	7,708	22,303	180	3,115	7,000	-	-	-	(5,043)	540,950	
Telephone	69,654	-	-	1,874	-	-	-	8,770	-	966	1,162	1,216	7,817	450	-	-	-	(4,760)	87,149	
Postage and shipping	9,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,506	
Occupancy - rental, utilities, and insurance	993,708	-	-	48,442	-	22,333	505	61,515	104,458	43,803	37,069	37,069	18,411	12,971	22,475	-	-	(665,244)	664,866	
Occupancy - repairs, maintenance	-	-	-	13,633	-	43,235	-	20,542	-	18,180	13,332	57,576	-	-	-	-	-	-	166,498	
Other repairs and maintenance	59,055	-	-	-	-	21,100	-	17,367	-	37,642	-	198	-	-	-	-	-	(380)	134,978	
Conferences and meetings	53,145	-	-	-	-	-	-	1,329	-	-	-	-	-	-	-	-	-	-	58,474	
Printing and publications	844	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	844	
Travel and transportation	4,636	-	-	-	-	372	-	930	-	474	338	587	86	-	-	-	-	(7,423)	90,043	
Contributions, dues, and awards	94,960	-	-	-	-	244	-	428	-	9	2,995	6	21	-	-	-	-	-	(8,221)	90,043
Activity fees and charges	781	-	-	25,864	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,645	
Interest	30,534	-	-	47,285	-	-	-	44,616	-	49,300	381,002	127,710	10,980	57,938	-	-	-	(582,367)	166,998	
Other	340,082	-	-	4,765	-	7,137	9,946	10,376	4,162	23,002	21,282	497	113,050	25,525	324	24	-	(242,599)	319,201	
In-kind	198,281	-	-	-	-	-	-	-	-	4,491	-	-	-	-	-	-	-	-	202,752	
Bad debt expense	531,933	-	-	6,507	-	41,885	-	3,027	-	128	2,414	10,755	-	-	15,738	-	-	(503,981)	108,206	
Depreciation and amortization	186,533	-	-	36,500	-	69,810	-	98,369	-	321,148	96,795	114,973	309,360	105,735	334,990	-	-	(31,266)	1,109,809	
Total expenses	41,991,637	-	-	479,573	-	305,942	10,871	380,283	10,871	633,358	355,062	648,887	827,988	295,320	771,698	324	24	(3,006,547)	45,326,793	
CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS	1,506,877	3,728,620	-	12,133	(7,418)	47,681	(375)	(10,871)	523,449	24,275	(396,998)	(99,505)	(51,878)	(61,500)	(261,545)	(335,952)	269,600	(24)	(353,598)	4,062,901
TRANSFER OF NET ASSETS	180,788	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(180,788)	-	-	-	
CAPITAL (DISTRIBUTIONS) CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	371,578	-	1,166,116	334,127	-	100	(381,778)	1,400,143	
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	28,636,278	4,180,247	7,400,000	(814,495)	118,514	2,919,322	77,274	172,306	(1,063,715)	103,023	2,115,604	1,080,472	(1,064,690)	(1,397,753)	1,013,261	4,673,149	132,284	-	(4,902,027)	43,290,113
NET ASSETS (ACCUMULATED DEFICIT), END OF YEAR	\$ 30,323,844	\$ 7,908,867	\$ 7,400,000	\$ (692,362)	\$ 111,156	\$ 2,967,403	\$ 77,349	\$ 161,525	\$ (830,266)	\$ 127,300	\$ 1,718,606	\$ 980,967	\$ (1,224,980)	\$ (1,459,263)	\$ 1,017,832	\$ 4,671,344	\$ 221,086	\$ 76	\$ (6,037,403)	\$ 48,833,127

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

Exhibit B
Page 2 of 2

	SOCIAL SERVICES			NEW LIFE MAHOR APARTMENTS		BONER PROPERTIES, LLC		JHBC PROPERTIES, LLC		BYRNE COURT APARTMENTS		BROOKSIDE COMMERCIAL, LLC		BROOKSIDE APARTMENTS, LP		JEFFERSON APARTMENTS, LP		NEAR EAST SIDE LEGACY CENTER, LLC		THE UNION AT THOMAS GREGG, LP		INDYEAST HOMES, LP		MARVIN GARDENS, LP		ELIMINATIONS		TOTAL		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	
REVENUE AND OTHER SUPPORT																														
Direct Public Support																														
Contributions	\$ 46,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,670	
Special events, net of \$21,811 expense	20,518	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,518	
Total direct public support	67,188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,188	
Indirect Public Support																														
Blueway																														
Support funds	704,718	-	-	-	-	-	-	-	-	-	-	32,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,039)	704,718		
Donor option	11,893	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,893		
Grants and awards	2,788,621	542,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,330,871		
Total indirect public support	3,566,212	542,250	-	-	-	-	-	-	-	-	-	32,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,039)	4,047,982		
Fees and Grants from Government and Other Agencies	4,377,628	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	767,694	3,609,934	
Other Revenue																														
Program service fees	235,348	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235,348		
Rent income and other charges	6,506	-	-	383,691	34,228	351,413	4,157	-	312,116	77,367	219,464	203,120	98,081	564,225	-	292,808	-	-	-	-	-	-	-	-	-	-	-	(789,549)	1,363,697	
Investment income	2,069,491	-	-	824	-	-	-	-	334	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(842,624)	1,464,025	
Change in investment in subsidiaries	(461,682)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	403,388	(57,294)	
Other	423,529	-	-	1,865	-	1,196	-	-	131	-	129	1,306	2,352	73	27	-	-	-	-	-	-	-	-	-	-	-	-	132,589	(82,917)	480,300
In-kind	251,219	-	-	-	-	-	-	-	-	-	873	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	252,092	252,092	
Total other revenue	2,455,011	-	-	386,380	34,228	358,599	4,157	-	312,581	77,367	220,466	204,516	100,433	564,298	-	292,808	-	-	-	-	-	-	-	-	-	-	-	1,322,589	(1,008,140)	4,135,310
Net Assets Released from Restrictions	2,194,044	(2,194,044)	-	131,672	(131,672)	36,261	(36,261)	-	46,432	(46,432)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenue and other support	12,599,153	(1,651,294)	-	518,052	(87,444)	394,860	(32,104)	-	359,013	30,925	252,505	204,516	100,433	564,298	-	292,808	-	-	-	-	-	-	-	-	-	-	-	11,860,464	-	
EXPENSES																														
Salaries and wages	3,384,700	-	-	97,193	-	85,276	-	-	48,089	-	75,538	28,150	10,352	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(470,350)	3,357,946	
Employee benefits	480,956	-	-	13,606	-	9,869	-	-	9,572	-	15,443	-	-	-	1,699	-	-	-	-	-	-	-	-	-	-	-	-	(69,419)	471,410	
Payroll taxes	327,979	-	-	10,018	-	8,664	-	-	6,581	-	7,935	5,387	4,496	2,746	9,164	-	-	-	-	-	-	-	-	-	-	-	-	(89,762)	333,178	
Specific assistance	688,704	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35,500)	620,951	
Leasing costs	27,259	-	-	-	-	-	-	-	17,753	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,645	
Professional fees	457,166	-	-	10,706	-	217	-	-	8,469	-	17,516	6,252	6,240	51,821	-	26,835	-	-	-	-	-	-	-	-	-	-	-	(4,200)	580,722	
Professional fees - other service providers	635,116	-	-	26,529	-	20,310	-	-	14,489	-	8,884	13,384	2,500	157	-	133,007	-	-	-	-	-	-	-	-	-	-	-	(153,509)	720,837	
Management fee	-	-	-	31,135	-	28,342	-	-	28,489	-	524	-	-	5,865	-	67,662	-	-	-	-	-	-	-	-	-	-	-	(158,543)	-	
Supplies	144,283	-	-	102,697	-	1,718	-	-	3,127	-	12,499	2,216	87,664	263	6,687	-	-	-	-	-	-	-	-	-	-	-	-	274	361,418	
Telephone	26,999	-	-	-	-	2,567	-	-	4,340	-	1,781	1,302	1,181	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,697	
Postage and shipping	2,687	-	-	-	-	23	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,540	
Occupancy - rental, utilities, and insurance	888,587	-	-	54,888	-	59,242	-	884	66,516	-	114,302	41,895	37,078	27,277	-	44,759	-	-	-	-	-	-	-	-	-	-	-	(68,990)	665,498	
Occupancy - repairs and maintenance	73	-	-	15,309	-	130,200	-	-	62,587	-	62,587	-	-	73,648	7,838	42,881	-	-	-	-	-	-	-	-	-	-	-	223	332,009	
Other repairs and maintenance	60,690	-	-	-	-	58,860	-	-	22,888	-	81,473	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	244,012	
Conferences and meetings	103,210	-	-	-	-	419	-	-	1,143	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104,548	
Printing and publications	4,127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,127	
Travel and transportation	16,391	-	-	-	-	520	-	-	1,522	-	209	-	829	-	593	-	15	-	-	-	-	-	-	-	-	-	-	-	19,441	
Contributions, dues, and awards	242,984	-	-	-	-	221	-	-	524	-	-	-	2,647	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,038)	214,347	
Activity fees and charges	21,281	-	-	60,711	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,992	
Interest	82,321	-	-	49,544	-	-	-	-	46,051	-	48,769	343,925	127,710	-	-	122,656	-	-	-	-	-	-	-	-	-	-	-	(542,624)	279,352	
Other	95,756	-	-	3,275	-	12,197	-	3,084	5,431	-	4,084	28,488	34,664	84	45	10,754	311	-	-	-	-	-	-	-	-	-	-	-	108,463	
In-kind	251,219	-	-	-	-	-	-	-	-	-	873	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	252,092	
Bad debt	16,365	-	-	4,451	-	12,813	-	-	3,465	-	-	6,973	12,277	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,900	
Loss on disposal of property and equipment	1,822	-	-	-	-	(81,318)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(159,419)	
Depreciation and amortization	186,420	-	-	42,656	-	-	-	-	71,789	-	321,148	98,460	113,054	368,382	-	299,662	-	-	-	-	-	-	-	-	-	-	-	(31,250)	1,547,363	
Total expenses	8,119,616	-	-	512,770	-	333,726	-	4,148	423,805	-	661,793	357,761	842,659	305	842,659	-	-	-	-	-	-	-	-	-	-	-	-	(2,180,922)	10,965,946	
CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS	4,479,538	(1,651,294)	-	5,274	(87,444)	61,134	(32,104)	(4,148)	(64,792)	30,925	(409,288)	(153,247)	(588,517)	(66,963)	(18)	(549,851)	-	-	-	-	-	-	-	-	-	-	-	383,049	1,494,518	
CAPITAL (DISTRIBUTIONS) CONTRIBUTIONS																														
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	24,156,741	5,831,541	7,400,000	(918,769)	216,018	2,858,888	109,828	178,544	(888,923)	72,108	2,524,892	1,233,719	(896,143)	(1,330,772)	(19,589)	711,447	-	-	-	-	-	-	-	-	-	-	-	(6,274,976)	36,261,254	
NET ASSETS (ACCUMULATED DEFICIT), END OF YEAR	\$ 28,636,279	\$ 4,180,247	\$ 7,400,000	\$ (914,495)	\$ 118,574	\$ 2,919,722	\$ 77,724	\$ 172,396	\$ (1,051,715)	\$ 103,033	\$ 2,115,604	\$ 1,080,472	\$ (1,064,680)	\$ (1,097,735)	\$ 1,013,261	\$ 4,673,189	\$ 132,284	\$ (4,907,027)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,907,027)	\$ 43,290,113	

See independent auditors' report on supplementary information.

	INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH														
	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR, EAST SIDE LEGACY CENTER, LLC	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	BYRNE COURT, LP	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES															
Cash and cash equivalents received from organizations and others	\$ 45,292,556	\$ 397,816	\$ 297,945	\$ -	\$ 928,543	\$ 257,590	\$ 223,901	\$ -	\$ 88,001	\$ 40,537	\$ 468,121	\$ 503,864	\$ 393,606	\$ 694,238	\$ 49,586,718
Cash and cash equivalents paid to suppliers, employees, and others	(42,064,628)	(291,241)	(215,666)	-	(747,668)	(237,662)	(180,300)	(12,078)	60,111	(357,622)	(413,761)	(654,982)	-	(477,362)	(45,592,859)
Interest paid	(30,534)	(47,285)	-	-	(44,616)	-	(14,547)	(381,002)	(127,710)	-	(57,938)	-	-	589,035	(114,597)
Investment income received	807,199	433	-	-	247	-	-	-	-	-	-	-	-	(589,035)	218,844
<i>Net cash, cash equivalents, and restricted cash provided by (used in) operating activities</i>	<u>4,004,593</u>	<u>59,723</u>	<u>82,279</u>	<u>-</u>	<u>136,506</u>	<u>19,928</u>	<u>29,054</u>	<u>(393,080)</u>	<u>20,402</u>	<u>(317,085)</u>	<u>(3,578)</u>	<u>(151,118)</u>	<u>393,606</u>	<u>216,876</u>	<u>4,098,106</u>
CASH FLOWS FROM INVESTING ACTIVITIES															
Proceeds from sale of investments	71,553	-	-	-	-	-	-	-	-	-	-	-	-	-	71,553
Purchases of investments	(211,170)	-	-	-	-	-	-	-	-	-	-	-	-	-	(211,170)
Acquisition of property and equipment	(300,767)	(8,165)	-	-	-	(14,976)	(5,000)	-	(11,815)	(666,252)	-	-	(383,424)	-	(1,390,399)
Payments received from notes receivable	237,910	-	-	-	-	-	-	-	-	-	-	-	-	(87,910)	150,000
Investments made in notes receivable	(478,465)	-	-	-	-	-	-	-	-	-	-	-	-	237,768	(240,696)
<i>Net cash, cash equivalents, and restricted cash provided by (used in) investing activities</i>	<u>(680,939)</u>	<u>(8,165)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,976)</u>	<u>(5,000)</u>	<u>-</u>	<u>(11,815)</u>	<u>(666,252)</u>	<u>-</u>	<u>-</u>	<u>(383,424)</u>	<u>149,859</u>	<u>(1,620,212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES															
Net activity on line of credit	(342,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	(342,500)
Principal payments on notes and mortgages payable	(1,005,598)	(25,936)	-	-	(91,915)	-	(10,759)	(1,851)	-	-	(19,796)	-	-	15,043	(1,138,818)
Cash inflow from note payable	-	-	-	-	-	-	-	-	-	43,500	-	-	-	-	43,500
Transfer of net assets	180,788	-	-	-	-	-	-	-	-	-	-	(180,788)	-	-	-
Capital contributions received	-	-	-	-	-	-	-	371,578	-	1,166,116	334,127	-	100	(381,778)	1,490,143
<i>Net cash, cash equivalents, and restricted cash provided by (used in) financing activities</i>	<u>(1,165,310)</u>	<u>(25,936)</u>	<u>-</u>	<u>-</u>	<u>(91,915)</u>	<u>-</u>	<u>(10,759)</u>	<u>369,727</u>	<u>-</u>	<u>1,209,616</u>	<u>314,331</u>	<u>(180,788)</u>	<u>100</u>	<u>(366,735)</u>	<u>52,325</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u>2,158,344</u>	<u>25,622</u>	<u>82,279</u>	<u>-</u>	<u>44,591</u>	<u>4,952</u>	<u>13,295</u>	<u>(23,359)</u>	<u>8,587</u>	<u>226,279</u>	<u>310,753</u>	<u>(331,906)</u>	<u>10,282</u>	<u>-</u>	<u>2,529,719</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	<u>3,631,528</u>	<u>162,443</u>	<u>81,049</u>	<u>-</u>	<u>97,235</u>	<u>1,268</u>	<u>108,154</u>	<u>112,539</u>	<u>1,165</u>	<u>3,835</u>	<u>90,571</u>	<u>547,625</u>	<u>-</u>	<u>-</u>	<u>4,858,312</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	<u>\$ 5,789,872</u>	<u>\$ 208,065</u>	<u>\$ 164,228</u>	<u>\$ -</u>	<u>\$ 141,826</u>	<u>\$ 6,220</u>	<u>\$ 121,449</u>	<u>\$ 89,180</u>	<u>\$ 0,752</u>	<u>\$ 230,114</u>	<u>\$ 401,324</u>	<u>\$ 215,719</u>	<u>\$ 10,282</u>	<u>\$ -</u>	<u>\$ 7,388,031</u>
SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES															
Purchase of property and equipment with loan proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,817,432	\$ -	\$ -	\$ 505,001	\$ (505,001)	\$ 3,817,432

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

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT, APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	THE UNION AT THOMAS GREGG, LP	INDEAST HOMES, LP	MARVIN GARDENS, LP	BYRNE COURT, LP	ELIMINATIONS	TOTAL
CHANGE IN NET ASSETS	\$ 5,235,497	\$ 4,715	\$ 47,306	\$ (10,871)	\$ 547,724	\$ (396,998)	\$ (99,505)	\$ (531,878)	\$ (61,550)	\$ (261,545)	\$ (335,952)	\$ 269,600	\$ (24)	\$ (353,598)	\$ 4,052,921
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES															
Depreciation and amortization	186,533	36,500	68,610	-	59,360	321,148	98,796	114,913	369,362	106,735	374,093	-	-	(31,250)	1,703,800
Unrealized/Realized gain on investments	(778,389)	-	-	-	-	-	-	-	-	-	-	-	-	-	(778,389)
Change in investment in subsidiary	10,056	-	-	-	-	-	-	-	-	-	-	-	-	(25,220)	(15,164)
<i>(Increase) decrease in operating assets</i>															
Grant reimbursements receivable	(2,312,139)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,312,139)
United Way receivables	103,486	-	-	-	-	-	-	-	-	-	-	-	-	-	103,486
Related party receivables	(687,467)	(15,668)	(41,664)	-	-	11,586	15,126	-	(478,434)	6,762	(155,679)	234,040	-	1,041,806	(69,782)
Other receivables, net	1,377	(3,402)	33,846	-	3,810	9,516	6,690	(1,454)	-	-	2,652	-	-	-	52,235
Prepaid expenses	(45,137)	(118)	2,433	(3)	55,588	907	(1,229)	(134)	660	(48,563)	1,139	5,380	-	-	(29,077)
<i>Increase (decrease) in operating liabilities</i>															
Accounts payable	986,324	(803)	(51,750)	-	(1,274)	(9,265)	(14,387)	(23,936)	746	(92,186)	(64,925)	(669,587)	-	-	58,957
Accrued payroll	62,296	-	-	-	-	-	-	-	-	-	-	-	-	-	62,296
Related party payables	463,666	41,705	24,476	10,874	(527,024)	83,034	(9,390)	(322,996)	177,198	(67,669)	78,376	-	382,150	(18,348)	316,152
Other payables and accrued expenses	44,507	(2,744)	(178)	-	(1,678)	-	34,001	371,816	12,420	40,391	(142,693)	9,449	11,480	(427,764)	(51,003)
Deferred revenue	(49,017)	(272)	-	-	-	-	(1,056)	499	-	-	239,411	-	-	31,250	220,813
Refundable advance of PPP	783,000	-	-	-	-	-	-	-	-	-	-	-	-	-	783,000
<i>Total adjustments</i>	(1,230,904)	55,008	34,973	10,871	(111,218)	416,926	128,559	138,798	81,952	(55,540)	332,374	(420,718)	393,630	570,474	45,185
NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 4,004,593	\$ 59,723	\$ 82,279	\$ -	\$ 136,506	\$ 19,928	\$ 29,054	\$ (393,080)	\$ 20,402	\$ (317,085)	\$ (3,578)	\$ (151,118)	\$ 393,606	\$ 216,876	\$ 4,098,106

	INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH													
	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	ELIMINATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES														
Cash received from organizations and others	\$ 7,925,044	\$ 472,497	\$ (83,236)	\$ -	\$ 385,087	\$ 35,240	\$ 187,204	\$ 318,376	\$ 72,869	\$ 512,161	\$ 342,145	\$ (290,424)	\$ 2,474,424	\$ 12,351,387
Cash paid to suppliers, employees, and others	(6,302,036)	(360,057)	(353,572)	-	(273,994)	-	(150,662)	-	44,674	(10,073)	(821,179)	838,049	(2,709,843)	(10,098,693)
Interest paid	(82,321)	(49,544)	-	-	(46,051)	-	(15,016)	(343,925)	(123,710)	-	(112,288)	-	542,624	(234,231)
Investment income received	928,069	824	-	-	334	-	-	-	-	-	-	-	(542,624)	386,603
<i>Net cash, cash equivalents, and restricted cash provided by (used in) operating activities</i>	<u>2,468,756</u>	<u>63,720</u>	<u>(436,808)</u>	<u>-</u>	<u>65,376</u>	<u>35,240</u>	<u>21,526</u>	<u>(25,549)</u>	<u>(10,167)</u>	<u>502,088</u>	<u>(591,322)</u>	<u>547,625</u>	<u>(235,419)</u>	<u>2,405,066</u>
CASH FLOWS FROM INVESTING ACTIVITIES														
Proceeds from sale of investments	1,104,341	-	-	-	-	-	-	-	-	-	-	-	-	1,104,341
Purchases of investments	(3,261,061)	-	-	-	-	-	-	-	-	-	-	-	-	(3,261,061)
Proceeds from sale of property and equipment	-	-	378,509	-	-	-	-	-	-	-	-	-	-	378,509
Acquisition of property and equipment	(113,013)	(6,995)	(10,900)	-	(6,014)	(35,651)	-	-	(12,865)	(1,130,170)	(64,792)	-	-	(1,380,400)
Payments received from notes receivable	1,762,241	-	-	-	-	-	-	-	-	-	-	-	(1,112,134)	650,107
Investments made in notes receivable	(2,044,274)	-	-	-	-	-	-	-	-	-	-	-	-	(371,352)
<i>Net cash, cash equivalents, and restricted cash provided by (used in) investing activities</i>	<u>(2,551,766)</u>	<u>(6,995)</u>	<u>367,609</u>	<u>-</u>	<u>(6,014)</u>	<u>(35,651)</u>	<u>-</u>	<u>-</u>	<u>(12,865)</u>	<u>(1,130,170)</u>	<u>(64,792)</u>	<u>-</u>	<u>(740,782)</u>	<u>(4,181,426)</u>
CASH FLOWS FROM FINANCING ACTIVITIES														
Net activity on line of credit	(157,500)	-	-	-	-	-	-	-	-	-	-	-	-	(157,500)
Borrowings (principal payments) on notes and mortgages payable	(1,328,620)	(170,224)	-	-	(42,281)	-	(10,196)	-	-	(365,651)	(3,794,305)	-	986,301	(4,724,976)
Payment of financing fees	-	-	-	-	-	-	-	-	-	(43,500)	-	-	-	(43,500)
Capital contributions received (capital distributions paid)	-	-	-	-	-	-	-	-	-	1,032,868	4,511,573	-	(10,100)	5,534,341
<i>Net cash, cash equivalents, and restricted cash provided by (used in) financing activities</i>	<u>(1,486,120)</u>	<u>(170,224)</u>	<u>-</u>	<u>-</u>	<u>(42,281)</u>	<u>-</u>	<u>(10,196)</u>	<u>-</u>	<u>-</u>	<u>623,717</u>	<u>717,268</u>	<u>-</u>	<u>976,201</u>	<u>608,365</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u>(1,569,130)</u>	<u>(113,499)</u>	<u>(69,199)</u>	<u>-</u>	<u>17,081</u>	<u>(411)</u>	<u>11,330</u>	<u>(25,549)</u>	<u>(23,032)</u>	<u>(4,365)</u>	<u>61,154</u>	<u>547,625</u>	<u>-</u>	<u>(1,167,995)</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	<u>5,200,658</u>	<u>295,942</u>	<u>151,148</u>	<u>-</u>	<u>80,154</u>	<u>1,679</u>	<u>96,824</u>	<u>138,088</u>	<u>24,197</u>	<u>8,200</u>	<u>29,417</u>	<u>-</u>	<u>-</u>	<u>6,026,307</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	<u>\$ 3,631,528</u>	<u>\$ 182,443</u>	<u>\$ 81,949</u>	<u>\$ -</u>	<u>\$ 97,235</u>	<u>\$ 1,268</u>	<u>\$ 108,154</u>	<u>\$ 112,539</u>	<u>\$ 1,165</u>	<u>\$ 3,835</u>	<u>\$ 90,571</u>	<u>\$ 547,625</u>	<u>\$ -</u>	<u>\$ 4,858,312</u>
SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES														
Purchase of property and equipment with loan proceeds	\$ 42,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,282,499	\$ 1,374,984	\$ -	\$ (500,000)	\$ 2,200,444
Purchase of property and equipment in accounts payable	-	-	-	-	-	-	-	-	-	-	414,568	-	(414,568)	-

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

	SOCIAL SERVICES	NEW LIFE MANOR APARTMENTS	BONER PROPERTIES, LLC	JHBCC PROPERTIES, LLC	BYRNE COURT APARTMENTS	BROOKSIDE COMMERCIAL, LLC	BROOKSIDE APARTMENTS, LP	JEFFERSON APARTMENTS, LP	NEAR EAST SIDE LEGACY CENTER, LLC	THE UNION AT THOMAS GREGG, LP	INDYEAST HOMES, LP	MARVIN GARDENS, LP	ELIMINATIONS	TOTAL
CHANGE IN NET ASSETS	\$ 2,828,244	\$ (92,170)	\$ 29,030	\$ (4,148)	\$ (33,867)	\$ (409,288)	\$ (153,247)	\$ (568,537)	\$ (66,963)	\$ (18)	\$ (549,851)	\$ 132,284	\$ 383,049	\$ 1,494,518
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES														
Depreciation and amortization	186,470	42,656	74,462	-	73,789	321,148	98,460	113,054	369,362	-	299,662	-	(31,250)	1,547,763
Loss (gain) on disposal of property and equipment	1,822	-	(161,334)	-	-	-	-	-	-	-	-	-	-	(159,512)
Unrealized/Realized gains on investments	(1,077,422)	-	-	-	-	-	-	-	-	-	-	-	-	(1,077,422)
Change in investment in subsidiary	467,082	-	-	-	-	-	-	-	-	-	-	-	(409,288)	57,794
<i>(Increase) decrease in operating assets</i>														
Grant, reimbursements receivable	116,735	-	-	-	-	-	-	-	-	-	-	-	-	116,735
United Way receivables	(249,497)	-	-	-	-	-	-	-	-	-	-	-	-	(249,497)
Related party receivables	(1,073,090)	-	(444,668)	-	-	(15,789)	(3,537)	-	(491,428)	(10,100)	35,484	(423,013)	2,469,413	43,271
Other receivables, net	1,695	55,826	11,489	-	(1,052)	(9,516)	(5,652)	9,081	-	-	14,897	-	-	78,768
Prepaid expenses	(20,395)	219	(505)	(104)	(48,679)	1,480	(83)	83	690	2	(1,936)	(10,757)	-	(79,985)
<i>Increase (decrease) in operating liabilities</i>														
Accounts payable	97,343	(7,487)	29,998	-	(153)	7,013	14,153	34,144	(1,735)	92,186	(528,886)	849,111	-	585,687
Accrued payroll	24,291	-	-	-	-	-	-	-	-	-	-	-	-	24,291
Related party payables	1,202,705	63,356	30,347	4,252	74,886	140,192	35,554	40,880	162,091	418,973	160,100	-	(2,310,907)	22,429
Other payables and accrued expenses	(8,147)	(18)	(5,627)	-	452	-	37,028	345,896	17,817	1,045	(19,748)	-	-	(367,686)
Deferred revenue	(31,030)	1,338	-	-	-	-	(1,350)	(140)	-	-	(1,044)	-	-	31,250
<i>Total adjustments</i>	<u>(359,488)</u>	<u>155,890</u>	<u>(465,838)</u>	<u>4,148</u>	<u>99,243</u>	<u>444,528</u>	<u>174,773</u>	<u>542,988</u>	<u>56,796</u>	<u>502,106</u>	<u>(41,471)</u>	<u>415,341</u>	<u>(618,468)</u>	<u>910,548</u>
NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 2,468,756</u>	<u>\$ 63,720</u>	<u>\$ (436,808)</u>	<u>\$ -</u>	<u>\$ 65,376</u>	<u>\$ 35,240</u>	<u>\$ 21,526</u>	<u>\$ (25,549)</u>	<u>\$ (10,167)</u>	<u>\$ 502,088</u>	<u>\$ (591,322)</u>	<u>\$ 547,625</u>	<u>\$ (235,419)</u>	<u>\$ 2,405,066</u>

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Indiana Housing & Community Development Authority <i>Housing Counseling Assistance Program</i>	14.169	HC-019-002	\$ 9,575
City of Indianapolis - Department of Metropolitan Development <u>CDDBG-Entitlement Grants Cluster</u> <i>Community Development Block Grants/Entitlement Grants</i>	14.218	130004991 1300016919 1300017853 1300017926	18,000 17,120 12,901 84,050
<i>Coronavirus Relief Funds - Community Development Block Grants/Entitlement Grants</i>			<u>132,071</u>
Local Initiatives Support Corporation <i>Section 4 Capacity Building for Community Development and Affordable Housing</i>	14.252	43675-0058	15,000
Indianapolis Housing Authority <u>Section 8 Project-Based Cluster</u> <i>Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation</i>	14.856	IN017	<u>705,438</u>
<i>Total U.S. Department of Housing and Urban Development Programs</i>			<u>862,084</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Innovation in Community-Based Crime Reduction</i>	16.817		<u>53,354</u>
<i>Total U.S. Department of Justice Programs</i>			<u>53,354</u>
U.S. DEPARTMENT OF LABOR			
Local Initiative Support Corporation <i>Reentry Employment Opportunities</i>	17.270	43675-0052	<u>126,620</u>
<i>Total U.S. Department of Labor Programs</i>			<u>126,620</u>
U.S. DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE			
United Way of Central Indiana <i>Volunteer Income Tax Assistance (VITA) Matching Grant Program</i>	21.009 21.009	Agreement #1021 Agreement #1593	27,726 468
<i>Total Department of Treasury - Internal Revenue Service Programs</i>			<u>28,194</u>
U.S. DEPARTMENT OF THE TREASURY			
City of Indianapolis - Department of Metropolitan Development <i>Coronavirus Relief Funds - Rental Assistance</i>	21.019	17732	<u>33,630,818</u>
<i>Total Department of Treasury</i>			<u>33,630,818</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Innovative Approaches to Literacy, Full-Service Community Schools, and Promise Neighborhoods</i>	84.215J		241,346
Indiana Department of Education <i>21st Century Community Learning Centers</i>	84.287	A58818DL4566	104,122
<i>21st Century Community Learning Centers</i>	84.287	A58919DL0013	238,665
<i>21st Century Community Learning Centers</i>	84.287	A58919DL0050	105,683
<i>Total U.S. Department of Education Programs</i>			<u>448,470</u>
			<u>689,816</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Central Indiana Council on Aging <i>Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services</i>	93.043	111-D-2018-19-02	3,000
Indiana State Department of Health <i>Maternal and Child Health Federal Consolidated Programs</i>	93.110	0037241	134,021
United Way of Central Indiana, Inc. <i>Low-Income Home Energy Assistance Program</i>	93.568	Contract #991	356,843
Indiana Housing & Community Development Authority <i>Low-Income Home Energy Assistance Program</i>	93.568	LI-021-026	<u>238,249</u>
			595,092
Indiana Housing & Community Development Authority <i>Assets for Independence</i>	93.602	IDA014-015/IDA015-015/IDA016-015	<u>26,427</u>
<i>Total U.S. Department of Health and Human Services Programs</i>			<u>758,540</u>

THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Serve Indiana, Indiana Department of Workforce Development <i>AmeriCorps</i>	94.006	AF-8-884/AF-9-884	\$ 68,248
United Way of Central Indiana, Inc. <i>Social Innovation Fund - Great Families 2020</i>	94.019	16SIHIN001	<u>222,607</u>
<i>Total Corporation for National and Community Service Programs</i>			<u>290,855</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
United Way Federal Emergency Management Agency <i>Emergency Food and Shelter National Board Program</i>	97.024	27280019-019	<u>12,495</u>
<i>Total U.S. Department of Homeland Security Programs</i>			<u>12,495</u>
<i>Grand Total</i>			<u>\$ 36,452,776</u>

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Center and BP under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center and BP, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center and BP.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COST RATE

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



Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the consolidated financial statements of The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, changes in net assets, and cash flows for the year ended, and the related notes to consolidated financial statements, and have issued our report thereon dated July 1, 2021. Our report includes a reference to other auditors who audited the financial statements of New Life Manor, Inc., Brookside Apartments, LP, Jefferson Apartments, LP, and Indy East Homes, LP, as described in our report on the Organization's consolidated financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2020 - 001.

The Organization's Response to Finding

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Greenwald CPAs, Inc.

July 1, 2021



Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries' (collectively, the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Organization's basic consolidated financial statements include the operations of New Life Manor (NLM), which received \$1,736,499 in federal awards which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2020. The Organization's basic consolidated financial statements include the operations of Parish Place, Inc. d/b/a Byrne Court Apartments (Byrne), which received \$1,756,359 in federal awards for the year ended June 30, 2020 which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of NLM or Byrne because the entities engaged other auditors to perform audits of compliance.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding 2020 – 001. Our opinion on each major federal program is not modified with respect to these matters.

The Organization's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Greenwald CPAs, Inc.

July 1, 2021

A. SUMMARY OF AUDIT RESULTS

Financial Statements

- 1 Type of auditors' report issued on whether the consolidated financial statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP): Unmodified
- 2 Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes none reported
- 3 Noncompliance material to financial statements noted? yes no

Federal Awards

- 4 Internal control over major federal programs:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes none reported
- 5 Type of auditors' report issued on compliance for major federal programs: Unmodified
- 6 Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no
- 7 Identification of major programs: CFDA Numbers Name of Federal Program or Cluster
 21.019 Coronavirus Relief Funds - Rental Assistance
- 8 Dollar threshold used to distinguish between type A and type B programs: \$ 1,093,583
- 9 Auditee qualified as low-risk auditee? yes no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

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

FINDING 2020-001:

US DEPARTMENT OF THE TREASURY, City of Indianapolis - Department of Metropolitan Development, Coronavirus Relief Funds - Rental Assistance 21.019, for the year ended December 31, 2020

Criteria: Under the terms of the grant agreement, the only allowable expenditures are rental assistance payments to eligible tenants in Marion County, Indiana.

Condition: The Organization used vendors (partner organizations) to assist with the disbursement of rental assistance. As part of that process, funds were advanced to the partner organizations and then later reconciled to actual rental assistance disbursements. During the comparison of the Organization's general ledger detail to partner organization costs, it was noted that two partner organizations did not expend the entire advancement provided by the Organization as part of this federal program.

Cause: The federal program expenditures were not timely reconciled as of December 31, 2020 and compared to the detail transactions provided by partner organizations.

Effect: This resulted in overstatement of the Center's expenditures under the federal award of \$69,843.

Questioned costs: \$69,843.

Context: Total rental assistance provided through partner organizations during the year ended December 31, 2020 was \$28,883,600.

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

FINDING 2020-001, Continued:

Recommendation: We recommend that management reconcile and evaluate the grant program expenditures at the end of a fiscal period in addition to the grant period.

Views of Responsible Officials: See attached corrective action plan.



JOHN BONER NEIGHBORHOOD CENTERS

JBNCENTERS.ORG • PH: 317.633.8210
2236 EAST 10TH STREET • INDIANAPOLIS, IN 46201

CORRECTIVE ACTION PLAN

June 30, 2021

To: U.S. Department of Treasury

The John H. Boner Community Center, Inc. d/b/a John Boner Neighborhood Centers and Subsidiaries respectfully submits the following corrective action plan for the year ended December 31, 2020.

Name and address of independent public accounting firm:

Greenwalt CPAs, Inc.
5342 West Vermont Street
Indianapolis, IN 46224

Audit period:

The findings from the year ended 2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

SIGNIFICANT DEFICIENCY

2020 – 001

Coronavirus Relief Funds - Rental Assistance 21.019

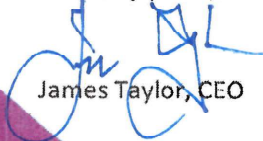
Reconciliation of grant expenditures at fiscal yearend.

Recommendation: We recommend that management reconcile and evaluate the grant program expenditures at the end of a fiscal period in addition to the grant period.

Action Taken: We concur with the recommendation. Effective April 2021, management implemented procedures in which program expenditures are evaluated and reconciled on monthly basis.

If the U.S. Department of Treasury has questions regarding this plan, please call James Taylor 317 808-2300.

Sincerely yours,



James Taylor, CEO