



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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January 19, 2023

Board of Directors
Northwest Indiana Community Action Corporation
5240 Fountain Dr.
Crown Point, IN 46307

We have reviewed the audit report of Northwest Indiana Community Action Corporation, which was opined upon by Wipfli, LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Northwest Indiana Community Action Corporation as of December 31, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

Northwest Indiana Community Action Corporation and Subsidiary

Crown Point, Indiana

Consolidated Financial Statements and
Supplementary Information

Years Ended December 31, 2021 and 2020



WIPFLI

Independent Auditor's Report

Board of Directors
Northwest Indiana Community Action Corporation and Subsidiary
Crown Point, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements (the "financial statements") of Northwest Indiana Community Action Corporation and Subsidiary, a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Northwest Indiana Community Action Corporation and Subsidiary as of December 31, 2021 and 2020, and the changes in its net assets for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northwest Indiana Community Action Corporation and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of Flourish NWI, LLC were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Indiana Community Action Corporation and Subsidiary's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Northwest Indiana Community Action Corporation and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Indiana Community Action Corporation and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022, on our consideration of Northwest Indiana Community Action Corporation'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 Northwest Indiana Community Action Corporation and Subsidiary'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 internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
September 30, 2022

Northwest Indiana Community Action Corporation and Subsidiary

Consolidated Statements of Financial Position December 31, 2021 and 2020

<i>Assets</i>	2021	2020
Current assets:		
Cash	\$ 3,568,453	\$ 3,325,208
Prepaid expenses	0	47,298
Accounts receivable	366,126	303,412
Grants receivable	3,989,180	3,200,410
Total current assets	7,923,759	6,876,328
Investment in Gary Broadway Lofts, LLC	500,000	0
Property and equipment, net	70,376	132,180
TOTAL ASSETS	\$ 8,494,135	\$ 7,008,508
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 1,905,811	\$ 1,757,168
Accrued payroll and related expenses	410,865	416,431
Refundable advances	22,753	25,320
Total liabilities	2,339,429	2,198,919
Net assets:		
Without donor restrictions	6,106,251	4,783,475
With donor restrictions	48,455	26,114
Total net assets	6,154,706	4,809,589
TOTAL LIABILITIES AND NET ASSETS	\$ 8,494,135	\$ 7,008,508

See accompanying notes to consolidated financial statements.

Northwest Indiana Community Action Corporation and Subsidiary

Consolidated Statement of Activities Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 26,170,043	\$ 0	\$ 26,170,043
Contract revenue	3,846,516	0	3,846,516
Loss on disposal of property and equipment	(61,692)	0	(61,692)
Other income	671,230	48,455	719,685
Net assets released from restrictions	26,114	(26,114)	0
Total revenue	30,652,211	22,341	30,674,552
Expenses:			
Program activities:			
Community services	11,438,264	0	11,438,264
Elderly services	8,231,969	0	8,231,969
Energy services	8,061,719	0	8,061,719
Total program activities	27,731,952	0	27,731,952
Management and general	1,597,483	0	1,597,483
Total expenses	29,329,435	0	29,329,435
Change in net assets	1,322,776	22,341	1,345,117
Net assets - Beginning of year	4,783,475	26,114	4,809,589
Net assets - End of year	\$ 6,106,251	\$ 48,455	\$ 6,154,706

See accompanying notes to consolidated financial statements.

Northwest Indiana Community Action Corporation and Subsidiary

Consolidated Statement of Activities Years Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 23,693,055	\$ 0	\$ 23,693,055
Contract revenue	3,228,711	0	3,228,711
Other income	166,195	0	166,195
Net assets released from restrictions	181	(181)	0
Total revenue	27,088,142	(181)	27,087,961
Expenses:			
Program activities:			
Community services	10,280,696	0	10,280,696
Elderly services	8,320,409	0	8,320,409
Energy services	6,182,549	0	6,182,549
Total program activities	24,783,654	0	24,783,654
Management and general	1,592,835	0	1,592,835
Total expenses	26,376,489	0	26,376,489
Change in net assets	711,653	(181)	711,472
Net assets - Beginning of year	4,071,822	26,295	4,098,117
Net assets - End of year	\$ 4,783,475	\$ 26,114	\$ 4,809,589

See accompanying notes to consolidated financial statements.

Northwest Indiana Community Action Corporation and Subsidiary

Consolidated Statement of Functional Expenses Year Ended December 31, 2021

	Management and General	Program	Total
Salaries	\$ 847,203	\$ 5,791,670	\$ 6,638,873
Fringe benefits	205,005	2,166,515	2,371,520
Professional fees and contract service payments	67,660	268,274	335,934
Specific assistance to individuals	264	18,411,607	18,411,871
Supplies	8,172	65,286	73,45
Telephone	23,229	132,636	155,865
Insurance	31,966	35,205	67,171
Occupancy	278,191	89,502	367,693
Trav	262	16,242	16,504
Leases and rentals	9,323	361,152	370,475
Vehicle repairs, maintenance, and operations	2,126	4,897	7,023
Dues and registration	16,019	4,099	100,118
Postage	16,908	34,610	51,518
Printing	522	10,312	10,834
Employee development	10,993	12,646	23,639
Equipment and repairs	74,325	164,061	238,386
Miscellaneous	5,315	64,760	70,075
Depreciation	0	18,478	18,478
Total expenses	\$ 1,597,483	\$ 27,731,952	\$ 29,329,435

See accompanying notes to consolidated financial statements.

Northwest Indiana Community Action Corporation and Subsidiary

Consolidated Statement of Functional Expenses Year Ended December 31, 2020

	Management and General	Program	Total
Salaries	\$ 849,908	\$ 5,489,709	\$ 6,339,617
Fringe benefits	219,703	2,104,246	2,323,949
Professional fees and contract service payments	77,343	110,990	188,333
Specific assistance to individuals	6,263	15,979,148	15,985,411
Supplies	17,865	179,282	197,147
Telephone	23,353	132,818	156,171
Insurance	29,568	27,475	57,043
Occupancy	268,543	88,818	357,361
Travel	2,106	23,549	25,655
Leases and rentals	11,146	360,297	371,443
Vehicle repairs, maintenance, and operations	1,244	3,509	4,753
Dues and registration	10,310	48,547	58,857
Board meetings	533	0	533
Postage	0	30,607	30,607
Printing	50	6,694	6,744
Employee development	4,149	6,056	10,205
Equipment and repairs	70,998	135,149	206,147
Miscellaneous	(247)	16,356	16,109
Depreciation	0	40,404	40,404
Total expenses	\$ 1,592,835	\$ 24,783,654	\$ 26,376,489

See accompanying notes to consolidated financial statements.

Northwest Indiana Community Action Corporation and Subsidiary

Consolidated Statements of Cash Flows Years Ended December 31, 2021 and 2020

	2021	2020
Increase (decrease) in cash:		
Cash flows from operating activities:		
Changes in net assets	\$ 1,345,117	\$ 711,472
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	18,478	40,404
Loss on disposal of property and equipment	61,692	0
Changes in operating assets and liabilities:		
Accounts receivable	(62,714)	82,343
Grants receivable	(788,770)	606,951
Prepaid expenses	47,298	2,507
Accounts payable	148,643	151,155
Accrued payroll and related expenses	(5,566)	136,329
Refundable advances	(2,567)	13,691
Net cash provided by operating activities	761,611	1,744,852
Cash flows from investing activities		
Investment in Gary Broadway Lofts, LLC	(500,000)	0
Purchase of property and equipment	(18,366)	(61,692)
Net cash used in investing activities	(518,366)	(61,692)
Changes in cash	243,245	1,683,160
Cash at beginning of year	3,325,208	1,642,048
Cash at end of year	\$ 3,568,453	\$ 3,325,208

See accompanying notes to consolidated financial statements.

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Northwest Indiana Community Action Corporation (NWICA) is a designated area agency on aging and community action that was incorporated in 1965. NWICA’s mission is to help people be independent and advocate for those who can’t. This mission is accomplished by providing a wide array of services focused on two principal program areas: 1) Community Services, and 2) Elderly Services. NWICA is primarily supported through grants funded by the State of Indiana as follows:

<i>Years Ended December 31,</i>	2021	2020
Indiana Housing and Community Development Authority		
Low-Income Home Energy Assistance	28 %	24 %
Housing Choice Voucher Program	20 %	22 %
Indiana State Department of Health		
Supplemental Nutrition Program for Women, Infants and Children	11 %	13 %
Indiana Family and Social Services Administration		
Aging Program	11 %	13 %

A basic description of the programs is as follows:

Community Services - Provides assistance to income-eligible persons in ameliorating the causes and consequences of poverty. Primary areas of support include energy and weatherization assistance, Section 8 housing, WIC, asset building, provide supportive services for veteran families, provide information and assistance, and other services to the residents of the six-county area located in northwest Indiana. Funding for these services is received from IHCD, which serves as a pass-through grantor of federal funds received from the U.S. Department of Health and Human Services (DHHS), U.S. Department of Housing and Urban Development (HUD), and the U.S. Department of Energy (DOE) and the Indiana State Department of Health, which serves as a pass-through grantor of federal funds received from the U.S. Department of Agriculture Food and Nutrition Service. Funding is also received directly from the Department of Veteran Affairs.

Elderly Services - Provides help to older and disabled persons to secure and maintain maximum independence and dignity in a home environment, remove barriers to independence for older persons, provide information and assistance, and provide continuing care for vulnerable elderly and disabled persons. Funding for these programs is received principally from Indiana Family and Social Services Administration (IFSSA), which serves as a pass-through grantor of funds received from DHHS.

In November of 2018, Flourish NWI, LLC was incorporated. Flourish NWI, LLC is a limited liability corporation, the sole member of which is NWICA. Flourish NWI, LLC participates in projects, including providing small dollar loans with reasonable terms, that improve the lives and conditions of low to moderate income families and communities in the Northwest Indiana Region. Flourish NWI, LLC is committed to activities that center the voices of marginalized communities, that combat the exploitation of disadvantaged and underserved populations, and that improve all aspects of health for low to moderate income people and communities. No loans were issued as of December 31, 2021 and 2020.

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Principles of Consolidation

The consolidated financial statements include the accounts of NWICA and Flourish NWI, LLC (the "Organizations"). All intercompany transactions and balances have been eliminated for consolidated financial statement purposes.

Basis of Presentation

The consolidated financial statements prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP").

Classification of Net Assets

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Accounts receivable consists of amounts due for services performed under fee-for-service awards. The Organizations analyze the receivables for collectability and an allowance for doubtful accounts is recorded based on prior collection experience and specific grant attributes. No allowance for doubtful accounts was recorded at December 31, 2021 and 2020 as management believes the accounts receivable are collectible.

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investment in Gary Broadway Lofts, LLC

During 2021, NWICA received \$500,000 of Federal Home Loan Bank Affordable Housing Program Funds which were transferred to Flourish NWI, LLC. Flourish NWI, LLC made a capital contribution of \$500,000 to Gary Broadway Lofts, LLC as of December 31, 2021. Flourish NWI, LLC has a 0.0051% share in Gary Broadway Lofts, LLC. Flourish NWI, LLC's investment in the partnership is accounted for using the equity method. The project is in the development stage.

Revenue Recognition

Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. 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.

Grant Revenue

Grant awards are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Grant Awards That Are Contributions - grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advances in the consolidated statement of financial position.

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Contract Revenue

NWICA is an area agency on aging provider for the Indiana Family and Social Services Administration (FSSA) providing Intake and Care Management services to program participants. The rates paid are sent by FSSA and based on the units of service defined in the Home and Community-Based Services Billing Guidelines published by the FSSA. The performance obligations in the program are determined based on the nature of the services provided. Care managers coordinate and integrate all services required in a participant's person-centered service plan, link participants to needed services, and ensure that all participants continue to receive and benefit from services. There is no variable consideration. NWICA submits claim reports for the Medicaid Waiver program to Medicaid and submits claim reports for the Waiver Intake program to the Division of Aging and also rebills as needed at the unit rate based on the services provided. NWICA has 12 months from the date of service to resolve and rebill denied claims. Revenue is recognized over time because the participant simultaneously receives and consumes the benefits provided by NWICA's performance. NWICA recognizes revenue at the amount of consideration that it expects to be entitled to in exchange for providing its services. There are no contract liabilities at December 31, 2021 and 2020. At year end, NWICA records a receivable for services performed through the last day of the year based on services provided to program participants as follows:

Accounts receivable from contracts with customers at January 1, 2020	\$ 385,755
Accounts receivable from contracts with customers at December 31, 2020	\$ 303,412
Accounts receivable from contracts with customers at December 31, 2021	\$ 366,126

Property and Equipment

Property and equipment are capitalized at cost and depreciated over their estimated useful lives using the straight-line method. The Organizations consider property and equipment to be items with a cost of \$5,000 or more and a useful life of over one year.

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

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Property and equipment acquired are owned by the Organizations while used in the programs for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds; therefore, the disposition of buildings or equipment, as well as the ownership of any proceeds therefrom, are subject to funding source regulations. The net book value of property and equipment purchased with grant funds was \$70,376 and \$109,680 at December 31, 2021 and 2020.

In-Kind Contributions

Accounting principles generally accepted in the United States require in-kind contributions for space and professional services to be recorded in the consolidated statements of activities as revenue and expenses in the period they are received. During the years ended December 31, 2021 and 2020, the Organizations received no such contributions for its programs; however, the Organizations received contributions of nonprofessional volunteer services during the years ended December 31, 2021 and 2020, with a fair value of approximately \$390,000 and \$235,000 to fulfill match requirements. These amounts are not recognized as in-kind revenue and expense, as they do not qualify for recording under accounting principles generally accepted in the United States.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated on the basis of time and effort. All other costs are allocated to programs based on actual program costs in relation to total organization costs.

Income Taxes

NWICA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. NWICA is also exempt from Indiana income taxes. Flourish NWI, LLC is a wholly owned LLC and for tax purposes is treated as a disregarded entity and is included on NWICA's tax return.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 30, 2020, the FASB issued ASU 2020-05 that extended the effective date for certain entities to annual periods beginning after December 15, 2021. The Organizations are currently evaluating the impact of the provisions of ASU Topic 842.

Subsequent Events

Subsequent events have been evaluated through September 30, 2022, which is the date the consolidated financial statements were available to be issued.

Note 2: Concentration of Credit Risk

The Organizations maintain cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. Management believes the financial institution has a strong credit rating and credit risk related to these deposits is minimal.

Note 3: Grants Receivable

The grants receivable represents the following amounts due from the various funding sources as of December 31:

	2021	2020
Federal programs	\$ 3,175,431	\$ 2,925,491
State and other programs	813,749	274,919
Total	\$ 3,989,180	\$ 3,200,410

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 4: Property and Equipment

NWICA's property and equipment as of December 31 is as follows:

	2021	2020
Land	\$ 22,500	\$ 22,500
Buildings and improvements	30,175	30,175
Furnishings and equipment	335,733	379,060
Computer Hardware	109,296	109,296
Vehicles	207,847	207,847
Subtotal property and equipment	705,551	\$ 748,878
Accumulated depreciation	(635,175)	(616,698)
Property and equipment, net	\$ 70,376	\$ 132,180

Note 5: Employee Benefits

NWICA maintains a 401(k) defined contribution plan for the benefit of NWICA employees. NWICA's contribution consists of a matching contribution of the lesser of the employee's contribution or 4% of the employee's wages. NWICA's contribution to the plan was \$170,818 and \$151,171 for the years ended December 31, 2021 and 2020.

Note 6: Operating Leases

NWICA has several cancelable and noncancelable operating leases for space, vehicles, and office equipment. The lease agreement for the main administrative building contains a renewal option for 3 additional years starting in 2023. Rental expense for these leases totaled \$596,359 and \$589,243 for the years ended December 31, 2021 and 2020.

Minimum annual rental payments required under the operating leases, which have remaining terms in excess of one year as of December 31, 2021, are as follows:

2022		\$ 480,185
2023		337,885
2024		3,206
Total		\$ 821,276

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 7: Line of Credit

NWICA carries an unsecured line of credit of \$550,000 from an area bank. The line of credit bears interest at the prime rate plus 1.50% (effective rate of 4.75% at December 31, 2021). No amounts were outstanding at December 31, 2021 and 2020. There is no specified maturity date for the line of credit and any outstanding principal could be due upon the lenders demand.

Note 8: Net Assets with Donor Restriction

Net assets with donor restrictions as of December 31, 2021 and 2020 consist of contributions to Flourish NWI, LLC's loan program.

Note 9: Liquidity and Availability

The Organizations do not have a formal liquidity policy but generally maintain financial assets in liquid form such as cash for approximately one month of operating expenses. NWICA can rely on a lower cash balance as they are primarily funded with cost reimbursement grants. Under cost reimbursement grants, once the expenses are incurred an organization can request reimbursement from the funding source. NWICA also has a line of credit available for cash flow needs up to \$550,000 as further described in Note 7.

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the consolidated statement of financial position date, are comprised of the following as of December 31:

	2021	2020
Cash	\$ 3,568,453	\$ 3,325,208
Other accounts receivable	366,126	303,412
Grants receivable	3,989,180	3,200,410
Subtotal financial assets	7,923,759	6,829,030
Less: Accounts payable	(1,905,811)	(1,757,168)
Less: Accrued salary payroll and related expenses	(410,865)	(416,431)
Less: Refundable advances	(22,573)	(25,320)
Less: Net assets with donor restrictions	(48,455)	(26,114)
Total	\$ 5,536,055	\$ 4,603,997

Northwest Indiana Community Action Corporation and Subsidiary

Notes to Financial Statements

Note 10: Grant Awards

At December 31, 2021, NWICA had received future funding commitments under various grants of approximately \$24,000,000. These commitments are not recognized in the accompanying consolidated financial statements as they are conditional awards.

Supplementary Information

Northwest Indiana Community Action Corporation

Schedule of Expenditures of Federal Awards Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE			
Passed-Through the Indiana State Department of Health			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	58093 46331	<u>\$ 3,330,616</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed-Through the Indiana Housing & Community Development Authority			
Housing Voucher Cluster			
Housing Choice Voucher Program	14.871	HCV-0200-11	<u>6,039,955</u>
U.S. DEPARTMENT OF THE TREASURY			
Direct			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	VITA21 VITA22	<u>92,308</u>
U.S. DEPARTMENT OF VETERAN AFFAIRS			
Direct			
Support Services for Veteran Families	64.033	20-IN-442 C2-IN-442 CA-IN-442 C3-IN-442 21-IN-442	<u>281,728</u>
U.S. DEPARTMENT OF ENERGY			
Passed-Through the Indiana Housing & Community Development Authority			
Weatherization Assistance for Low-Income Persons	81.042	WX-020-018 WX-021-018	<u>111,311</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed-Through the Indiana Family and Social Services Administration			
Special Programs for the Aging - Title VII, Chapter 2, Long-Term Care		59326	
Ombudsman Services for Older Individuals	93.042	38299	<u>33,704</u>
Special Programs for the Aging - Title III, Part D, Disease Prevention and Health Promotion Services	93.043	59326 38299	<u>24,935</u>
Aging Cluster			
Special Programs for the Aging - Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	59326 38299	<u>1,306,749</u>
Special Programs for the Aging - Title III, Part C, Nutrition Services	93.045	59326 38299 49667	<u>1,610,016</u>
Nutrition Services Incentive Program	93.053	59326	<u>135,538</u>
Total Aging Cluster AL #93.044, #93.045 and #93.053			<u>3,052,303</u>
National Family Caregiver Support - Title III, Part E	93.052	38299 59326	<u>205,299</u>

Northwest Indiana Community Action Corporation

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Passed-Through the Indiana Housing & Community Development Authority			
COVID-19 Low-Income Home Energy Assistance	93.568	LI-ARPA-021-128 LI-CV-020-018 WL-021-018 LI-021-018	5,235,174
Low-Income Home Energy Assistance	93.568	LI-022-018	3,222,643
Total AL #93.568			8,457,817
Passed-Through the Indiana Housing & Community Development Authority			
COVID-19 Community Services Block Grant	93.569	CS-CV-020-018	763,505
Community Services Block Grant	93.569	CS-021-018	823,231
			1,586,736
Passed-Through the Indiana Family and Social Services Administration			
Social Services Block Grant	93.667	59326 49667	1,012,633
Medicaid Cluster			
Medical Assistance Program	93.778	55440 44110	610,041
CORPORATE FOR NATIONAL AND COMMUNITY SERVICE			
Direct			
Foster Grandparent/Senior Companion Cluster			
AmeriCorps Seniors-Foster Grandparent	94.011	20SCNIN001	94,688
AmeriCorps Seniors-Senior Companion	94.016	20FGNIIN001	127,753
Total Foster Grandparent/Senior Companion Cluster AL #94.011 and #94.016			222,441
TOTAL FEDERAL EXPENDITURES			\$ 25,061,827

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Northwest Indiana Community Action Corporation under programs of the federal government for the year ended December 31, 2021. 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 Northwest Indiana Community Action Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of Northwest Indiana Community Action Corporation.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect Cost Rate

Northwest Indiana Community Action Corporation did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Subrecipients

Northwest Indiana Community Action Corporation does not have any subrecipients and therefore has not incurred subrecipient expenditures.

See Independent Auditor's Report.

See Notes to Schedule of Expenditures of Federal Awards

Northwest Indiana Community Action Corporation and Subsidiary

Consolidating Statement of Financial Position December 31, 2021

<i>Assets</i>	NWICA	Flourish NWI, LLC	Totals
Current assets:			
Cash	\$ 3,441,267	\$ 127,186	\$ 3,568,453
Prepaid expenses	0	0	0
Accounts receivable	366,126	0	366,126
Grants receivable	3,989,180	0	3,989,180
Total current assets	7,796,573	127,186	7,923,759
Investment in Gary Broadway Lofts, LLC	0	500,000	500,000
Property and equipment, net	70,376	0	70,376
TOTAL ASSETS	\$ 7,866,949	\$ 627,186	\$ 8,494,135
<i>Liabilities and Net Assets</i>			
Current liabilities:			
Accounts payable	\$ 1,905,811	\$ 0	\$ 1,905,811
Accrued payroll and related expenses	410,865	0	410,865
Refundable advance	22,753	0	22,753
Total liabilities	2,339,429	0	2,339,429
Net assets:			
Without donor restrictions	5,527,520	578,731	6,106,251
With donor restrictions	0	48,455	8,455
Total net assets	5,527,520	627,186	6,154,706
TOTAL LIABILITIES AND NET ASSETS	\$ 7,866,949	\$ 627,186	\$ 8,494,135

See Independent Auditor's Report.

Northwest Indiana Community Action Corporation and Subsidiary

Consolidating Statement of Activities

Year Ended December 31, 2021

	Without Donor Restrictions			Total Without Donor Restrictions	With Donor Restrictions	Totals
	NWICA	Flourish NWI, LLC	Elimination			
Revenue:						
Grant revenue	\$ 26,170,043	\$ 0	\$ 0	\$ 26,170,043	\$ 0	\$ 26,170,043
Contract revenue	3,846,516	0	0	3,846,516	0	3,846,516
Loss on property disposal	(61,692)	0	0	(61,692)	0	(61,692)
Other income	158,685	512,545	0	671,230	48,455	719,685
Net assets released from restrictions	0	26,114	0	26,114	(26,114)	0
Total revenue	30,113,552	538,659	0	30,652,211	22,341	30,674,552
Expenses:						
Salaries	6,622,512	16,361	0	6,638,873	0	6,638,873
Fringe benefits	2,371,520	0	0	2,371,520	0	2,371,520
Professional fees and contract services	320,949	14,985	0	335,934	0	335,934
Specific assistance to individuals	18,411,871	0	0	18,411,871	0	18,411,871
Supplies	73,458	0	0	73,458	0	73,458
Telephone	155,865	0	0	155,865	0	155,865
Insurance	67,171	0	0	67,171	0	67,171
Occupancy	367,693	0	0	367,693	0	367,693
Travel	16,504	0	0	16,504	0	16,504
Leases and rentals	370,475	0	0	370,475	0	370,475
Vehicle repairs, maintenance, and operation:	7,005	18	0	7,023	0	7,023
Dues and registration	100,118	0	0	100,118	0	100,118
Postage	51,518	0	0	51,518	0	51,518
Printing	10,834	0	0	10,834	0	10,834
Employee development	23,639	0	0	23,639	0	23,639
Equipment and repairs	238,386	0	0	238,386	0	238,386
Miscellaneous	63,780	6,295	0	70,075	0	70,075
Depreciation	18,478	0	0	18,478	0	18,478
Total expenses	29,291,776	37,659	0	29,329,435	0	29,329,435
Changes in net assets	821,776	501,000	0	1,322,776	22,341	1,345,117
Net assets - Beginning of year	4,705,744	77,731	0	4,783,475	26,114	4,809,589
Net assets - End of year	\$ 5,527,520	\$ 578,731	\$ 0	\$ 6,106,251	\$ 48,455	\$ 6,154,706

See Independent Auditor's Report.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Northwest Indiana Community Action Corporation
Crown Point, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements (the "financial statements") of Northwest Indiana Community Action Corporation and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2021, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 30, 2022. The financial statements of Flourish NWI, LLC were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the entity.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northwest Indiana Community Action Corporation'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northwest Indiana Community Action Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Indiana Community Action Corporation's internal control.

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

Our consideration of 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northwest Indiana Community Action Corporation'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 Northwest Indiana Community Action Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Wipfli LLP

Madison, Wisconsin
September 30, 2022

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Northwest Indiana Community Action Corporation
Crown Point, Indiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal program

We have audited Northwest Indiana Community Action Corporation's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended December 31, 2021. Northwest Indiana Community Action Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Northwest Indiana Community Action Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northwest Indiana Community Action Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Northwest Indiana Community Action Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Northwest Indiana Community Action Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northwest Indiana Community Action Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Northwest Indiana Community Action Corporation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northwest Indiana Community Action Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Northwest Indiana Community Action Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the audit guide, but not for the purpose of expressing an opinion on the effectiveness of Northwest Indiana Community Action Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
September 30, 2022

Northwest Indiana Community Action Corporation and Subsidiary

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance [2 CFR 200.516(a)]?

yes no

Identification of major federal programs:

AL Number

14.871

Name of Federal Program or Cluster

Housing Choice Voucher Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$751,855

Auditee qualified as low-risk auditee?

Yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Status of Prior Year Findings

None