



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

March 23, 2023

Board of Directors  
The John H. Boner Community Center, Inc.  
d/b/a John Boner Neighborhood Centers and Subsidiaries  
2236 East 10<sup>th</sup> 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, 2021 to December 31, 2021. 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, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding in the report on pages 48-49. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 50.

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

The 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

---

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, 2021 AND 2020

---

GREENWALT<sup>CPAs</sup>  
We Deliver Peace of Mind

---

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
TABLE OF CONTENTS  
DECEMBER 31, 2021 AND 2020

---

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
Summary Schedule of Prior Audit Findings .....	51

---



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

## 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 Audit of the Consolidated Financial Statements*

#### **Opinion**

We have audited 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 statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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, 2021 and 2020, 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.

We did not audit the financial statements of New Life Manor Apartments, LLC (NLM), Brookside Apartments, LP (BA), Jefferson Apartments, LP (JA), The Union at Thomas Gregg, LP (The Union), IndyEast Homes, LP (IEH), and Byrne Court, LP (Byrne, LP), subsidiaries, which statements reflect total assets of \$25,869,487 as of December 31, 2021 and total revenues of \$2,101,753 for the year then ended. We did not audit the financial statements of NLM, BA, JA, and IEH, subsidiaries, which statements reflect total assets of \$13,406,169 as of December 31, 2020, and total revenues of \$1,129,591 for the year 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, The Union, IEH, and Byrne, LP, is based solely on the report of the other auditors.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

## **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise a substantial doubt about the Organization'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.

## Supplementary Information

Our audits were 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* 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 schedule of expenditures of federal awards 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 12, 2022, 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 12, 2022

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,962,067	\$ 6,658,609
Cash - restricted	64,642,963	729,422
Grant reimbursements receivable	1,538,937	2,786,853
United Way receivables	1,013,314	489,467
Related party receivables, net	297,376	127,078
Other receivables, net	6,193,176	73,516
Prepaid expenses	169,031	254,875
	<u>79,816,864</u>	<u>11,119,820</u>
<i>Total current assets</i>	79,816,864	11,119,820
<b>LONG TERM INVESTMENTS</b>	16,701,736	14,189,779
<b>NOTES RECEIVABLE</b>	2,313,100	2,033,167
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>35,990,840</u>	<u>33,113,135</u>
	<u>\$ 134,822,540</u>	<u>\$ 60,455,901</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,682,491	\$ 1,479,518
Accrued payroll	235,962	213,746
Related party payables	329,679	340,081
Other payables and accrued expenses	753,816	473,229
Deferred revenue	28,587	252,763
Refundable advance of PPP	-	783,000
Refundable advance related to grants	67,285,815	-
Current maturities of notes and mortgages payable	120,132	101,008
	<u>70,436,482</u>	<u>3,643,345</u>
<i>Total current liabilities</i>	70,436,482	3,643,345
<b>LONG-TERM LIABILITIES</b>		
Notes and mortgages payable, net of current portion and financing fees	<u>6,051,609</u>	<u>7,979,379</u>
	<u>76,488,091</u>	<u>11,622,724</u>
<i>Total liabilities</i>	76,488,091	11,622,724
<b>COMMITMENTS AND CONTINGENCIES (NOTES 12 AND 13)</b>		
<b>NET ASSETS</b>		
Without donor restrictions - controlling interest	33,303,166	27,393,812
Minority interest in net assets without donor restrictions	9,671,064	5,814,685
	<u>42,974,230</u>	<u>33,208,497</u>
<i>Total net assets without donor restrictions</i>	42,974,230	33,208,497
With donor restrictions - time or purpose	7,960,219	8,224,680
With donor restrictions - in perpetuity	7,400,000	7,400,000
	<u>58,334,449</u>	<u>48,833,177</u>
<i>Total net assets</i>	58,334,449	48,833,177
	<u>\$ 134,822,540</u>	<u>\$ 60,455,901</u>
<i>Total liabilities and net assets</i>	\$ 134,822,540	\$ 60,455,901

**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, 2021 AND 2020

	2021				2020			
	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
<b>REVENUE AND OTHER SUPPORT</b>								
Direct Public Support								
Contributions	\$ 93,468	\$ -	\$ -	\$ 93,468	\$ 315,642	\$ -	\$ -	\$ 315,642
Special events, net of expense of \$21,106 in 2021 and \$6,500 in 2020	54,669	-	-	54,669	2,163	-	-	2,163
<i>Total direct public support</i>	<u>148,137</u>	<u>-</u>	<u>-</u>	<u>148,137</u>	<u>317,805</u>	<u>-</u>	<u>-</u>	<u>317,805</u>
Indirect Public Support								
United Way								
Support funds	1,368,629	-	-	1,368,629	1,180,759	-	-	1,180,759
Donor option	5,399	-	-	5,399	7,746	-	-	7,746
Grants and awards	684,999	4,575,100	-	5,260,099	2,709,097	5,276,653	-	7,985,750
<i>Total indirect public support</i>	<u>2,059,027</u>	<u>4,575,100</u>	<u>-</u>	<u>6,634,127</u>	<u>3,897,602</u>	<u>5,276,653</u>	<u>-</u>	<u>9,174,255</u>
Fees and grants from government and other agencies	57,325,698	-	-	57,325,698	36,252,286	-	-	36,252,286
Other Revenue								
Program service fees	126,380	-	-	126,380	88,572	-	-	88,572
Rent income and other charges	2,039,966	2,907	-	2,042,873	1,766,997	68,590	-	1,835,587
Investment income	1,216,879	-	-	1,216,879	997,233	-	-	997,233
Change in investment in subsidiaries (219,190)	(219,190)	-	-	(219,190)	15,164	-	-	15,164
Other revenue	2,547,097	31,198	-	2,578,295	495,550	-	-	495,550
In-kind	293,468	-	-	293,468	202,752	-	-	202,752
<i>Total other revenue</i>	<u>6,004,600</u>	<u>34,105</u>	<u>-</u>	<u>6,038,705</u>	<u>3,566,268</u>	<u>68,590</u>	<u>-</u>	<u>3,634,858</u>
Net assets released from restriction	4,873,666	(4,873,666)	-	-	1,600,141	(1,600,141)	-	-
<i>Total revenue and other support</i>	<u>70,411,128</u>	<u>(264,461)</u>	<u>-</u>	<u>70,146,667</u>	<u>45,634,102</u>	<u>3,745,102</u>	<u>-</u>	<u>49,379,204</u>
<b>EXPENSES</b>								
Salaries and wages	3,806,172	-	-	3,806,172	3,566,104	-	-	3,566,104
Employee benefits	475,448	-	-	475,448	455,188	-	-	455,188
Payroll taxes	391,625	-	-	391,625	352,947	-	-	352,947
Specific assistance	53,569,827	-	-	53,569,827	34,475,250	-	-	34,475,250
Leasing costs	30,589	-	-	30,589	22,488	-	-	22,488
Professional fees	249,443	-	-	249,443	268,875	-	-	268,875
Professional fees - other service providers	3,309,873	-	-	3,309,873	1,893,845	-	-	1,893,845
Management fee	-	-	-	-	10,276	-	-	10,276
Supplies	768,367	-	-	768,367	540,950	-	-	540,950
Telephone	72,291	-	-	72,291	87,149	-	-	87,149
Postage and shipping	22,977	-	-	22,977	9,906	-	-	9,906
Occupancy - rental, utilities, insurance	690,762	-	-	690,762	664,866	-	-	664,866
Occupancy - repairs, maintenance	162,033	-	-	162,033	166,498	-	-	166,498
Other repairs and maintenance	154,310	-	-	154,310	134,978	-	-	134,978
Conferences and meetings	54,343	-	-	54,343	58,474	-	-	58,474
Printing and publications	678	-	-	678	844	-	-	844
Travel and transportation	16,196	-	-	16,196	-	-	-	-
Contributions, dues and awards	66,056	-	-	66,056	90,043	-	-	90,043
Activity fees and charges	47,029	-	-	47,029	26,645	-	-	26,645
Interest	240,907	-	-	240,907	166,998	-	-	166,998
Other	109,739	-	-	109,739	319,201	-	-	319,201
In-kind	289,468	-	-	289,468	202,752	-	-	202,752
Bad debt	40,139	-	-	40,139	108,206	-	-	108,206
Gain on disposal of property and equipment (396,131)	(396,131)	-	-	(396,131)	-	-	-	-
Depreciation and amortization	1,842,759	-	-	1,842,759	1,703,800	-	-	1,703,800
<i>Total expenses</i>	<u>66,014,900</u>	<u>-</u>	<u>-</u>	<u>66,014,900</u>	<u>45,326,283</u>	<u>-</u>	<u>-</u>	<u>45,326,283</u>
<b>CHANGE IN NET ASSETS</b>	4,396,228	(264,461)	-	4,131,767	307,819	3,745,102	-	4,052,921
<b>CAPITAL CONTRIBUTIONS</b>	5,369,505	-	-	5,369,505	1,490,143	-	-	1,490,143
<b>NET ASSETS, BEGINNING OF YEAR</b>	<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>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 42,974,230</u>	<u>\$ 7,960,219</u>	<u>\$ 7,400,000</u>	<u>\$ 58,334,449</u>	<u>\$ 33,208,497</u>	<u>\$ 8,224,680</u>	<u>\$ 7,400,000</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 CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	CONTROLLING INTEREST			TOTAL	MINORITY INTEREST	TOTAL
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS - TIME OR PURPOSE	WITH DONOR RESTRICTIONS - IN PERPETUITY			
NET ASSETS, JANUARY 1, 2020	\$ 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	27,393,812	8,224,680	7,400,000	43,018,492	5,814,685	48,833,177
CAPITAL CONTRIBUTIONS	-	-	-	-	5,369,505	5,369,505
CHANGE IN NET ASSETS	<u>5,909,354</u>	<u>(264,461)</u>	<u>-</u>	<u>5,644,893</u>	<u>(1,513,126)</u>	<u>4,131,767</u>
NET ASSETS, DECEMBER 31, 2021	<u>\$ 33,303,166</u>	<u>\$ 7,960,219</u>	<u>\$ 7,400,000</u>	<u>\$ 48,663,385</u>	<u>\$ 9,671,064</u>	<u>\$ 58,334,449</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, 2021 AND 2020

Page 1 of 2

**INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from organizations and others	\$ 131,893,514	\$ 49,586,718
Cash paid to suppliers, employees, and others	(66,122,289)	(45,592,859)
Interest paid	(79,208)	(114,597)
Investment income received	231,543	218,844
	<u>65,923,560</u>	<u>4,098,106</u>
<i>Net cash, cash equivalents, and restricted cash provided by operating activities</i>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	345,656	71,553
Purchases of investments	(1,589,157)	(211,170)
Proceeds from disposal of property and equipment	130,142	-
Acquisition of property and equipment	(4,293,693)	(1,390,399)
Payments received from notes receivable	-	150,000
Investments made in notes receivable	(361,122)	(240,696)
	<u>(5,768,174)</u>	<u>(1,620,712)</u>
<i>Net cash, cash equivalents, and restricted cash used in investing activities</i>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments on line of credit	-	(342,500)
Principal payments on notes and mortgages payable	(4,269,821)	(1,138,818)
Proceeds from notes payable	2,290,253	43,500
Payment of developer fees	(285,390)	-
Payment of financing fees	(42,934)	-
Capital contributions received, net	5,369,505	1,490,143
	<u>3,061,613</u>	<u>52,325</u>
<i>Net cash, cash equivalents, and restricted cash provided by financing activities</i>		
<b>NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>63,216,999</b>	<b>2,529,719</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR</b>	<b>7,388,031</b>	<b>4,858,312</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR</b>	<b><u>\$ 70,605,030</u></b>	<b><u>\$ 7,388,031</u></b>
<b>SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Purchase of property and equipment with loan proceeds	\$ -	\$ 3,817,432
Capitalized interest expense in property and equipment	\$ 38,427	\$ -
Purchase of property and equipment included in accounts payable	\$ 596,469	\$ -
Assets acquired through assumption of debt/liabilities	\$ 1,391,665	\$ -

See accompanying notes to financial statements.

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

	<u>2021</u>	<u>2020</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 4,131,767</u>	<u>\$ 4,052,921</u>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Depreciation and amortization	1,842,759	1,703,800
Gain on disposal of property and equipment	(396,131)	-
Unrealized gains on investments	(985,336)	(778,389)
Change in investment in subsidiary	219,190	(15,164)
<i>(Increase) decrease in operating assets</i>		
Grant reimbursements receivable	1,247,916	(2,312,139)
United Way receivables	(523,847)	103,486
Related party receivables, net	(170,298)	(69,782)
Other receivables, net	(6,117,615)	52,235
Prepaid expenses	85,844	(29,077)
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	202,973	58,957
Accrued payroll	22,216	62,296
Related party payables	(10,402)	316,152
Other payables and accrued expenses	95,885	(51,003)
Deferred revenue	(224,176)	220,813
Refundable advance of PPP	(783,000)	783,000
Refundable advance related to grants	67,285,815	-
<i>Total adjustments</i>	<u>61,791,793</u>	<u>45,185</u>
<b>NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 65,923,560</u></u>	<u><u>\$ 4,098,106</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, 2021 AND 2020

---

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 have 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), Byrne Court, LP, and New Life Manor, 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. In February 2021, Byrne's assets were transferred to Byrne Court, LP.

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, 2021 AND 2020

---

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.

The Union at Thomas Gregg, LP (The Union) is a 30 unit, multi-family apartment building near the Thomas Gregg Neighborhood School. Near East Holding was the .01% general partner and Cinnaire Fund for Housing Limited Partnership 33 is 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, LP (Byrne, LP) 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 LP. 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. Cinnaire Fund for Housing Limited Partnership 35 is the investor limited partner owning 99.99% of Byrne, LP, with Near Eastside Holding owning the remaining .01% as the general partner.

New Life Manor, L.P. (NLM, L.P.) was formed in March 2021 to acquire, construct, rehabilitate, develop, improve, maintain, own, operate, lease, dispose of, and otherwise deal with housing facilities for persons of low and moderate income in line with section 42 of the Internal Revenue Code. During 2021, the general partner was Near Eastside Holding Corp. at .01% ownership and the Center was limited partner at 99.99% ownership.

Inspire 10<sup>th</sup> 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, 2021 AND 2020

---

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 consists 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, Byrne, LP, and NLM, LP (collectively referred to as the Organization) which are considered related organizations. As the general partner of JA, The Union, IEH, BA, Byrne, LP, and NLM, LP, 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 \$2,166,993 and \$2,675,602 at December 31, 2021 and 2020, respectively. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021 and 2020, the Center held cash in excess of FDIC limits of approximately \$68.8 million and \$5.7 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, 2021 AND 2020

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

OTHER RECEIVABLES

Other receivables include uncollateralized tenant obligations due under normal terms requiring rental payment on the 1<sup>st</sup> 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 1<sup>st</sup> 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 \$10,337 and \$10,701 as of December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Long-term investments		
Equities	\$ 6,530,608	\$ 5,150,120
Corporate bonds	4,786,248	4,995,347
Cash held for future investment	106,643	147,196
HealthNet Peoples Health Center, LLC	1,125,142	1,160,029
Sawtooth, LLC	2,181	1,470
Phillip Rogers, LLC	43,082	42,140
PR Mallory, LLC, and its related entities	4,107,832	2,693,477
	<u>\$ 16,701,736</u>	<u>\$ 14,189,779</u>

The Organization's cash held for future investment is recorded at cost at December 31, 2021 and 2020.

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

---

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 could be used for costs related to payroll, employee health care, rent, and utilities. In April 2020, the Center received \$783,000 from a financial institution under the PPP. The interest rate was 1%, the loan term was two years which began after the lender made a determination on forgiveness or 10 months after the 24-week expenditure period. However, to the extent the funds were used for qualifying expenses under the program, the Center could apply for loan forgiveness.

The Center received forgiveness in 2021. As such, the Center recognized the loan as a grant income in accordance with FASB ASC 958-605.

REFUNDABLE ADVANCE RELATED TO GRANTS

The Organization is the recipient of grants that require expenditure for specified activities before the Organization is reimbursed by the grantor for the costs incurred for eligible purposes. Documentation showing actual costs expended is included when submitting a monthly or quarterly report for reimbursement. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as a refundable advance.

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSETS

The Organization maintains the following classifications of net assets:

Net Assets without Donor Restrictions

These include net assets 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, 2021 and 2020, the Board has designated net assets of \$1,978,399 and \$878,849, respectively, to cover general operating expenses.

Net Assets with Donor Restrictions

These include net 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>2021</u>	<u>2020</u>
NELC maintenance fund	\$ 713,428	\$ 713,428
Replacement reserve	205,000	315,814
Sustainability and infrastructure	743,750	429,933
Arts and culture initiatives	1,070,827	1,654,347
Other programs	<u>5,227,214</u>	<u>5,111,158</u>
	<u>\$ 7,960,219</u>	<u>\$ 8,224,680</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, 2021 and 2020. 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 JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CONTRIBUTIONS AND PLEDGES, CONTINUED

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.

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 \$293,468 and \$202,752 in 2021 and 2020, 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:

	2021			
	Program Services	Management and General	Fundraising	Total
Personnel costs	\$ 3,747,739	\$ 867,368	\$ 58,138	\$ 4,673,245
Specific assistance	53,568,827	1,000	-	53,569,827
Professional services	3,125,879	464,026	-	3,589,905
Occupancy	1,458,088	16,521	-	1,474,609
Depreciation and amortization	1,651,770	190,989	-	1,842,759
Other operational	654,824	166,826	42,905	864,555
	<u>\$ 64,207,127</u>	<u>\$ 1,706,730</u>	<u>\$ 101,043</u>	<u>\$ 66,014,900</u>

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

EXPENSE ALLOCATION, CONTINUED

	2020			
	<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	34,475,250	-	-	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>\$ 43,455,997</u>	<u>\$ 1,790,700</u>	<u>\$ 79,586</u>	<u>\$ 45,326,283</u>

SUBSEQUENT EVENTS

Subsequent events have been considered through July 12, 2022, 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, Byrne, LP, and NLM, LP 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 \$527,747. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$2,000,000 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, 2021 AND 2020

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 \$8,523,783 and \$8,170,379 as of December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Financial assets at year-end		
Cash	\$ 2,288,169	\$ 6,658,609
Cash – restricted	68,316,861	729,422
Grant reimbursements receivable	1,538,937	2,786,853
United Way receivables	1,013,314	489,467
Related party receivables	297,376	127,078
Notes receivables, net	2,313,100	2,033,167
Other receivables, net	6,193,176	73,516
Investments	<u>16,701,736</u>	<u>14,189,779</u>
Total financial assets available	<u>98,662,669</u>	<u>27,087,891</u>
Financial assets not available		
Investments in subsidiaries	(5,278,237)	(3,897,116)
Long-term notes receivable	(2,313,100)	(23,734)
Board designated net assets	(1,978,399)	(878,849)
Cash – restricted	(68,316,861)	(729,422)
Net assets with donor imposed restrictions – time and purpose	(7,960,219)	(8,224,680)
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>(93,246,816)</u>	<u>(21,153,801)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 5,415,853</u>	<u>\$ 5,934,090</u>

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

4. CASH - RESTRICTED

NLM, BP, BA, JA, TU, IEH, and Byrne, LP maintain cash balances that are to be used for future capital projects and other purposes. 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 and other purposes was \$1,000,270 and \$698,646 at December 31, 2021 and 2020, 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, 2021 and 2020.

The Center has cash restricted for the Assets for Independence program of \$3,037 at December 31, 2021 and 2020.

The Center has cash restricted to be spent for rental assistance of \$67,285,815 at December 31, 2021.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Center has adopted Accounting Standards for Fair Value Measurements, which define 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 (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2021</u>				
Equity securities	\$ 6,530,608	\$ 6,530,608	\$ -	\$ -
Corporate bonds	4,786,248	4,786,248	-	-
Total investments	<u>\$ 11,316,856</u>	<u>\$ 11,316,856</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, 2021 AND 2020

---

5. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

<u>2020</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	\$ 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>

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 was \$8,983,724 and \$8,550,680 at December 31, 2021 and 2020, respectively.

6. NOTES RECEIVABLE

- a. 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.
- b. During December 2020, the Center entered into a loan agreement with Inspire. The loan agreement allows for borrowings up to \$2,000,000. The Center has waived interest and origination fees for this loan. The loan proceeds must be used for the development and rehabilitation of certain premises in the 10<sup>th</sup> Street Art + Design District.

The balance on these loans was \$2,313,100 and \$2,033,167 at December 31, 2021 and 2020, respectively. The loan balances and any interest are 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, 2021 AND 2020

---

**7. PROPERTY AND EQUIPMENT**

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

	<u>2021</u>	<u>2020</u>
Buildings	\$ 37,442,209	\$ 38,551,784
Leasehold improvements	436,766	318,905
Furnishings and office equipment	6,048,808	6,344,116
Autos and trucks	236,651	236,651
	<u>44,164,434</u>	<u>45,451,456</u>
Accumulated depreciation	<u>(17,071,641)</u>	<u>(17,106,412)</u>
	27,092,793	28,345,044
Land and land improvements	4,074,536	4,005,949
Real estate held for sale	-	36,965
Construction in progress	4,823,511	725,177
	<u>\$ 35,990,840</u>	<u>\$ 33,113,135</u>

At December 31, 2021 and 2020, interest of \$38,427 and \$0, respectively, was capitalized as a part of property and equipment when constructed using loan proceeds. At December 31, 2021, construction in process relates to the multiple property renovations under Byrne, L.P. and technology projects in process at the Center. At December 31, 2020, 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 \$2,000,000, which can be cancelled and collected by the financial institution with a 90 day notice. Interest payable on the line of credit is calculated monthly at the Prime Index rate plus 0.05% (3.30% at December 31, 2021 and 2020). There was no outstanding balance at December 31, 2021 or 2020. 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>2021</u>	<u>2020</u>
a. 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 2026. The mortgage also requires monthly deposits to a reserve and replacement fund.	\$ 1,393,059	\$ 1,421,906

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

---

9. NOTES AND MORTGAGES PAYABLE, CONTINUED

b. 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 and is subject to a prepayment penalty through March 2024.	217,184	228,535
c. 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. This loan was assumed by Byrne, LP in 2021.	-	1,430,241
d. The Union obtained a construction loan in October 2019 in the amount of \$500,000 which bears interest at 3.00% per annum and matures December 2035. Beginning December 1, 2021, the loan requires month payments of principal and interest of \$25,510.	489,490	500,000
e. 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 was paid in full in 2021.	-	4,099,931
f. 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.	299,234	314,957
g. IEH has a construction loan that converted in November 2019. The loan bears interest at 3.00% per annum and is due November 2034. Beginning December 2020, the loan requires annual payments of principal and interest equal to the lesser of \$10,371 or 100% of net cash flow as defined in the Partnership Agreement.	194,618	203,275
h. Byrne, LP has a mortgage loan with an original amount of \$1,422,836. The loan is insured by HUD under Section 207 pursuant to Section 223(f) of the National Housing Act, as amended. The mortgage loan, due May 2043, is payable in monthly installments of \$7,368, which includes principal, and interest of 3.08% per annum. The loan includes a prepayment premium through September 2026.	1,385,239	-

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

---

9. NOTES AND MORTGAGES PAYABLE, CONTINUED

i. Byrne, LP entered into an agreement with a financial institution in February 2021 to provide a construction loan in the maximum of \$4,000,000. During construction and through the maturity date of February 1, 2023, interest-only payments are due monthly with interest accruing on the unpaid balance at the prime rate with a floor of 3.25% (3.25% at December 31, 2021).

	2,305,335	-
	6,284,159	8,198,845
Less: current maturities	(120,132)	(101,008)
Less: unamortized financing fees	(112,418)	(118,458)
	<u>\$ 6,051,609</u>	<u>\$ 7,979,379</u>

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

2022	\$ 120,132
2023	2,429,830
2024	308,264
2025	119,732
2026	123,882
Thereafter	3,182,319
	<u>\$ 6,284,159</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.

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

---

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

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

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.

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.

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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

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

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>2021</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions – Held in Perpetuity</u>	<u>Total</u>
Perpetual Endowment net assets, beginning of year	\$ 770,379	\$ 7,400,000	\$ 8,170,379
Distributions	(543,321)	-	(543,321)
Investments gains, net	896,725	-	896,725
Endowment net assets, end of year	<u>\$ 1,123,783</u>	<u>\$ 7,400,000</u>	<u>\$ 8,523,783</u>

<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>

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

---

11. **RELATED PARTY TRANSACTIONS**

The Center had a \$263,940 and \$107,467 receivable from the Near Eastside Innovation School Corporation at December 31, 2021 and 2020, respectively. The CEO of the Center is a board member of this organization.

At December 31, 2021 and 2020, the Center had a \$31,036 and \$8,754 receivable due from organizations of which the Center owns 49%, respectively. At December 31, 2021 and 2020, the Center had a \$2,400 receivable due from an organization of which the Center owns 23%.

At December 31, 2020, the Center had accounts receivable due from NEAR of \$3,000. NEAR is a partner agency on various Near Eastside of Indianapolis building projects.

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.

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 recorded an allowance for the full amount of the receivable at December 31, 2020. In 2021, the Center collected the fee and reinvested it into PR Mallory entities.

At December 31, 2021 and 2020, the Center had a \$110,398 and \$38,350, respectively payable to an organization of which the Center owns 49%.

In May 2019, the Center entered into a consulting agreement with Milestone Ventures, LLC for the development of The Union Project. During 2021, all fees were earned and paid. During 2020, \$133,955 in fees were earned and \$63,955 remained payable as of December 31, 2020. 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 2021 and 2020. 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 2021 or 2020. Accounts payable – related parties included a balance due of \$1,500 at December 31, 2020.

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. At December 2019, the entire fee has been earned and capitalized into property and equipment. During the year ended December 31, 2020, consulting fees totaling \$178,086 were paid.

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

---

**11. RELATED PARTY TRANSACTIONS, CONTINUED**

IEH pays an annual investor services fee to its Investor Limited Partner. During 2021 and 2020, a fee of \$2,864 and \$2,781 was earned and \$5,481 remains payable at December 31, 2021 and 2020, respectively.

The Union shall pay an annual investor service fee to its Investor Limited Partner commencing in 2021 and increasing 3% per year thereafter. During the year ended December 31, 2021, investor services fees of \$3,000 were earned and at December 31, 2021, \$3,000 remains payable. No fee was due or earned at December 31, 2020.

BMO Harris Bank is entitled to receive an asset management fee from Byrne, LP, per the partnership agreement, in the amount of \$5,000 per year. The cumulative fee is payable out of available cash flow, as defined in the partnership agreement. Fees of \$5,000 were earned in the year ended 2021. The outstanding balance at December 31, 2021 was \$5,000. A Center board member is an employee of BMO Harris Bank.

In December 2019, Byrne, LP entered into a consulting agreement with Milestone Ventures, LLC totaling \$655,000 for the development of Byrne, L.P. housing project. During 2021, \$393,000 in fees were earned and \$205,800 remains payable as of December 31, 2021. During 2020, \$294,750 in fees were earned and remained 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.

**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 2021 or 2020.

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.

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

---

12. CONTINGENCIES AND COMMITMENTS, CONTINUED

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.

MG has committed to a construction contract in connection with the Byrne, LP for approximately \$3,700,000. As of December 31, 2021, the contract was approximately 75% complete.

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, 2021 or 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, 2021.

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.

In accordance with the Partnership Agreement, operating deficits incurred prior to 15 years from and after the date Byrne, LP achieves Underwritten Operations which are not paid from the Operating Reserves, will be funded by funds loaned from the General Partner to Byrne, LP. The General Partner's obligation shall not exceed six months' operating expenses and required replacement reserves or \$200,894. The amounts advanced are to be treated as unsecured, non-interest-bearing loans. No funds were advanced as of December 31, 2021 or 2020.

MG has committed to a construction contract in connection with the NLM, LP for approximately \$3,400,000. As of December 31, 2021, the contract was approximately 3% complete.

THE JOHN H. BONER COMMUNITY CENTER, INC.  
D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

13. OPERATING LEASES

The Center leased office equipment under various operating leases that expire annually. Lease expense for these items was \$640 in the years ended 2021 and 2020.

The Organization leases space to several organizations under operating leases that have various expiration dates through 2022. Lease income for the years ended December 31, 2021 and 2020 was \$10,338 and \$19,328, respectively. These leases are subject to renewal on an annual basis.

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	Assistance Listing Number	Revenue	Expense	Funding Type
Learning Loss Grant	State Department of Education	N/A	\$ 186,523	\$ 186,523	State or local government
Support of COVID – 19 Relief Efforts	City of Indianapolis- Department of Metropolitan Development	N/A	-	1,109,247	State or local government
COVID Community Recovery Grant Program	The Health & Hospital Corporation of Marion County	N/A	5,000	5,000	State or local government
Learning Loss Grant	City of Indianapolis	N/A	150,776	150,776	State or local government
Housing Counseling Assistance Program	Indiana Housing & Community Development Authority	14.169	14,631	14,631	Federal grant passed through state or local government
CDBG Summer Camp	City of Indianapolis Marion County	14.218	15,000	15,000	Federal grant passed through state or local government
Lift JBNC Job Training Program	City of Indianapolis Marion County	14.218	63,448	63,448	Federal grant passed through state or local government
CDBG-CV JBNC Building Retrofit	City of Indianapolis Marion County	14.218	149,936	149,936	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, 2021 AND 2020

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	651,326	651,326	Federal grant passed through state or local government
Innovation in Community-Based Crime Reduction	U.S. Department of Justice	16.817	128,086	128,086	Direct federal grant
Volunteer Income Tax Assistance Grant Program - Central Indiana	United Way of Central Indiana, Inc.	21.009	11,016	11,016	Federal grant passed through state or local government
COVID-19 Rental Assistance Program Funds	Consolidated City of Indianapolis and Marion County.	21.019	750,000	750,000	Federal grant passed through state or local government
Emergency Rental Assistance Program	City of Indianapolis - DMD - Office of Public Health	21.023	53,049,798	53,049,798	Federal grant passed through state or local government
Innovative Approaches to Literacy, Full-Service Community Schools and Promise Neighborhoods	U.S. Department of Education	84.215J	303,957	303,957	Direct federal grant
21st Century Community Learning Centers	Near Eastside Innovation School Corp	84.287	222,073	222,073	Federal grant passed through state or local government
21st Century Community Learning Centers	Indiana Department of Education	84.287	426,433	426,433	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
Maternal and Child Health Federal Consolidated Program	Indiana State Department of Health	93.110	106,392	106,392	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, 2021 AND 2020

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

Teenage Pregnancy Prevention TPP Optimally Changing the Map of Teen Pregnancy in IN	Indiana Department of Health	93.297	26,960	26,960	Federal grant passed through state or local government
Low-Income Home Energy Assistance Program	Indiana Housing and Community Development Authority	93.568	1,052,005	1,022,880	Federal grant passed through state or local government
Assets for Independence	Indiana Housing & Community Development Authority	93.602	10,000	10,000	Federal grant passed through state or local government
AmeriCorps	Serve Indiana, Indiana Department of Workforce Development	94.006	85,532	85,532	Federal grant passed through state or local government
Marion County Emergency Food and Shelter Program	United Way of Central Indiana	97.024	56,942	56,542	Federal grant passed through state or local government
Total funding			\$ 57,468,834	\$ 58,548,556	

15. SUBSEQUENT EVENTS

In April 2022, the Center, as initial limited partner of NLM, L.P., exited the limited partner role. The partnership share was purchased by ONB Community Equity, LLC, at the interest buyout price which represents the computation of closing in cash or immediately available funds at the time of buyout. ONB Community Equity, LLC is the investor limited partner owning 99.99% of NLM, L.P., with Near Eastside Holding owning the remaining .01% as the general partner. As part of the closing, all assts of NLM were transferred to NLM, L.P.

SUPPLEMENTARY INFORMATION

**THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES**  
**D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES**  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

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	INDYEAST HOMES, LP	MARVIN GARDENS CONSTRUCTION, LLC	BYRNE COURT, LP	NEW LIFE MANOR, LP	ELIMINATIONS	TOTAL
<b>CURRENT ASSETS</b>																
Cash and cash equivalents	\$ 5,013,781	\$ 124,137	\$ 173,056	\$ -	\$ 580	\$ 3,524	\$ 22,787	\$ 15,799	\$ 10,262	\$ 59,919	\$ 37,763	\$ 438,195	\$ 62,294	\$ -	\$ -	\$ 5,962,067
Cash - restricted	63,642,693	127,552	72,025	-	-	-	120,062	70,269	-	202,645	174,655	-	215,062	-	-	64,942,953
Grant reimbursements receivable	1,538,937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,538,937
United Way receivables	1,013,314	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,013,314
Related party receivables, net	7,456,700	-	1,177,325	-	-	95,150	7,899	-	4,370,281	7,260	274,550	453,165	-	-	(13,544,954)	297,376
Notes receivable, current portion	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	(100,000)	-
Other receivables, net	6,141,629	-	496	-	-	-	3,515	6,596	-	2,045	38,890	-	205	-	-	6,193,176
Prepaid expenses	56,409	9,096	7,367	-	-	12,777	3,980	4,798	2,834	54,397	8,876	-	8,897	-	-	169,031
Lease inducement fees, net	-	-	-	-	-	-	-	-	687,500	-	-	-	-	-	-	(687,500)
Investment in subsidiaries	2,381,547	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,381,547)
<i>Total current assets</i>	<u>87,344,810</u>	<u>260,785</u>	<u>1,430,269</u>	<u>-</u>	<u>580</u>	<u>111,451</u>	<u>166,823</u>	<u>106,462</u>	<u>5,070,877</u>	<u>326,266</u>	<u>534,734</u>	<u>891,360</u>	<u>285,448</u>	<u>-</u>	<u>(16,714,001)</u>	<u>79,816,864</u>
<b>LONG TERM INVESTMENTS</b>	16,701,136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,701,136
<b>NOTES RECEIVABLE, NET OF CURRENT PORTION</b>	21,843,141	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,330,041)	2,313,100
<b>PROPERTY AND EQUIPMENT, NET</b>	682,229	501,913	1,383,861	198,625	-	3,389,057	2,430,069	3,186,075	7,923,130	6,920,116	5,889,351	-	5,460,415	465,640	(2,719,671)	35,990,840
<i>Total assets</i>	<u>\$ 126,351,916</u>	<u>\$ 762,698</u>	<u>\$ 3,314,130</u>	<u>\$ 198,625</u>	<u>\$ 580</u>	<u>\$ 3,500,508</u>	<u>\$ 2,696,922</u>	<u>\$ 3,292,537</u>	<u>\$ 12,994,007</u>	<u>\$ 7,246,382</u>	<u>\$ 6,224,085</u>	<u>\$ 891,360</u>	<u>\$ 5,746,863</u>	<u>\$ 465,640</u>	<u>\$ (38,763,713)</u>	<u>\$ 134,822,540</u>
<b>CURRENT LIABILITIES</b>																
Accounts payable	\$ 1,180,208	\$ 10,992	\$ 23,472	\$ -	\$ -	\$ 28,307	\$ 7,414	\$ 3,779	\$ 75,797	\$ 8,093	\$ 14,755	\$ 303,067	\$ 26,607	\$ -	\$ -	\$ 1,692,491
Accrued payroll	235,962	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235,962
Related party payables	4,148,294	58,561	256,611	29,120	-	2,027,664	299,732	574,891	502,052	114,524	277,596	-	499,396	-	(8,458,762)	329,679
Other payables and accrued expenses	2,655,324	14,264	8,031	32	-	-	467,809	3,143,098	42,677	33,117	161,306	322,042	-	184,702	(6,393,117)	753,816
Deferred revenue	685,783	2,774	-	-	-	-	1,652	1,055	-	6,551	126	-	8,146	-	(687,500)	28,387
Refundable advance related to grants	67,295,815	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,295,815
Current maturities of notes and mortgages payable	-	29,696	-	-	-	-	11,976	-	-	10,825	121,227	-	46,408	-	(100,000)	120,132
<i>Total current liabilities</i>	<u>76,201,396</u>	<u>116,287</u>	<u>288,114</u>	<u>29,152</u>	<u>-</u>	<u>2,055,971</u>	<u>788,593</u>	<u>3,722,823</u>	<u>620,526</u>	<u>173,110</u>	<u>575,010</u>	<u>625,109</u>	<u>695,078</u>	<u>184,702</u>	<u>(15,839,379)</u>	<u>70,438,482</u>
<b>LONG-TERM LIABILITIES</b>																
Notes and mortgages payable, net of current portion and financing fees of \$112,418	-	1,300,906	-	-	-	-	863,186	1,290,753	13,858,873	976,665	1,302,625	-	4,089,467	280,938	(17,923,806)	6,051,609
<i>Total liabilities</i>	<u>76,201,396</u>	<u>1,417,193</u>	<u>288,114</u>	<u>29,152</u>	<u>-</u>	<u>2,055,971</u>	<u>1,651,769</u>	<u>5,013,576</u>	<u>14,479,401</u>	<u>1,351,775</u>	<u>1,877,635</u>	<u>625,109</u>	<u>4,784,545</u>	<u>465,640</u>	<u>(33,563,185)</u>	<u>76,488,091</u>
<b>NET ASSETS (ACCUMULATED DEFICIT)</b>																
Without donor restrictions - controlling interest	34,995,259	(782,047)	2,948,610	168,473	580	1,444,537	345,499	443,678	(1,485,394)	66,982	91,061	266,251	105	-	(5,200,528)	33,303,166
Minority interests in net assets without donor restrictions	-	-	-	-	-	-	590,654	(2,164,717)	-	6,028,525	4,256,389	-	952,213	-	-	9,671,064
<i>Total net assets (accumulated deficit) without donor restrictions</i>	<u>34,995,259</u>	<u>(782,047)</u>	<u>2,948,610</u>	<u>168,473</u>	<u>580</u>	<u>1,444,537</u>	<u>945,153</u>	<u>(1,721,039)</u>	<u>(1,485,394)</u>	<u>6,094,607</u>	<u>4,346,450</u>	<u>266,251</u>	<u>952,318</u>	<u>-</u>	<u>(5,200,528)</u>	<u>42,974,230</u>
With donor restrictions - time and purpose	7,755,261	127,552	77,406	-	-	-	-	-	-	-	-	-	-	-	-	7,960,219
With donor restrictions - in perpetuity	7,400,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,400,000
<i>Total net assets (accumulated deficit)</i>	<u>50,150,520</u>	<u>(654,495)</u>	<u>3,026,016</u>	<u>168,473</u>	<u>580</u>	<u>1,444,537</u>	<u>945,153</u>	<u>(1,721,039)</u>	<u>(1,485,394)</u>	<u>6,094,607</u>	<u>4,346,450</u>	<u>266,251</u>	<u>952,318</u>	<u>-</u>	<u>(5,200,528)</u>	<u>58,334,449</u>
<i>Total liabilities and net assets (accumulated deficit)</i>	<u>\$ 126,351,916</u>	<u>\$ 762,698</u>	<u>\$ 3,314,130</u>	<u>\$ 198,625</u>	<u>\$ 580</u>	<u>\$ 3,500,508</u>	<u>\$ 2,696,922</u>	<u>\$ 3,292,537</u>	<u>\$ 12,994,007</u>	<u>\$ 7,246,382</u>	<u>\$ 6,224,085</u>	<u>\$ 891,360</u>	<u>\$ 5,746,863</u>	<u>\$ 465,640</u>	<u>\$ (38,763,713)</u>	<u>\$ 134,822,540</u>

See independent auditors' report on supplementary information.

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

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 CONSTRUCTION, LLC	BYRNE COURT, LP	ELIMINATIONS	TOTAL
<b>CURRENT ASSETS</b>															
Cash and cash equivalents	\$ 5,759,096	\$ 20,635	\$ 62,210	\$ -	\$ 62,306	\$ 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	72,618	-	79,440	-	114,137	86,577	-	-	159,044	-	-	-	729,422
Grant reimbursements receivable	2,786,653	-	-	-	-	-	-	-	-	-	-	-	-	-	2,786,653
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	10,113	3,773	5,481	2,297	99,613	6,397	5,377	-	-	254,935
Lease inducement fees, net	-	-	-	-	-	-	-	-	718,750	-	-	-	-	-	(718,750)
Investment in subsidiaries	2,501,250	-	-	-	-	-	-	-	-	-	-	-	-	(2,501,250)	-
<i>Total current assets</i>	18,520,556	236,748	1,155,797	107	199,985	55,017	156,039	108,093	4,648,521	333,265	640,123	410,069	10,282	(15,353,782)	11,119,820
<b>INVESTMENTS</b>															
NOTES RECEIVABLE, NET OF CURRENT PORTION	14,189,779	-	-	-	-	-	-	-	-	-	-	-	-	-	14,189,779
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	6,058,691	-	898,425	(2,719,671)	33,113,135
<i>Total assets</i>	\$ 54,567,281	\$ 707,186	\$ 3,108,268	\$ 242,797	\$ 1,022,452	\$ 3,681,229	\$ 2,661,555	\$ 3,348,614	\$ 12,895,996	\$ 7,453,878	\$ 6,098,814	\$ 410,069	\$ 898,707	\$ (37,230,945)	\$ 60,455,901
<b>CURRENT LIABILITIES</b>															
Accounts payable	\$ 1,224,098	\$ 9,655	\$ 2,512	\$ -	\$ 8,761	\$ 11,138	\$ 5,967	\$ 14,142	\$ 6,722	\$ -	\$ 16,999	\$ 119,524	\$ -	\$ -	\$ 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	-	-	45,902	-	11,351	-	-	-	115,807	-	-	(100,000)	187,908
<i>Total current liabilities</i>	8,934,470	169,879	63,516	81,272	86,965	1,962,623	797,283	3,282,841	496,406	436,115	695,045	188,973	393,630	(13,945,673)	3,643,345
<b>LONG-TERM LIABILITIES</b>															
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	-	565,001	(17,647,869)	7,970,379
<i>Total liabilities</i>	8,934,470	1,498,392	63,516	81,272	1,425,410	1,962,623	1,670,588	4,573,594	14,355,281	5,536,046	2,027,470	188,973	898,631	(31,593,542)	11,622,724
<b>NET ASSETS (ACCUMULATED DEFICIT)</b>															
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	(1,595,200)	-	2,169,277	4,580,251	-	-	-	3,874,685
<i>Total net assets (accumulated deficit) without donor restrictions</i>	30,323,944	(902,362)	2,967,403	161,525	(530,266)	1,718,606	980,967	(1,224,980)	(1,459,285)	1,917,532	4,671,344	221,096	76	(5,637,403)	33,208,497
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>	45,632,811	(791,206)	3,044,752	161,525	(402,958)	1,718,606	980,967	(1,224,980)	(1,459,285)	1,917,532	4,671,344	221,096	76	(5,637,403)	48,633,177
<i>Total liabilities and net assets (accumulated deficit)</i>	\$ 54,567,281	\$ 707,186	\$ 3,108,268	\$ 242,797	\$ 1,022,452	\$ 3,681,229	\$ 2,661,555	\$ 3,348,614	\$ 12,895,996	\$ 7,453,878	\$ 6,098,814	\$ 410,069	\$ 898,707	\$ (37,230,945)	\$ 60,455,901

**THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES**  
**D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES**  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B  
Page 1 of 2

	SOCIAL SERVICES			NEW LIFE MANOR APARTMENTS		BONER PROPERTIES, LLC		JHCC 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 CONSTRUCTION, LLC	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	WITHOUT DONOR RESTRICTIONS		
<b>REVENUE AND OTHER SUPPORT</b>																					
Direct Public Support																					
Contributions	\$ 10,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,480
Social events, net of \$21,706 expense	54,662	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,662
Total direct public support	149,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149,137
Indirect Public Support																					
United Way																					
Support funds	1,368,629	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,368,629
Donor gifts	5,399	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,399
Grants and awards	684,999	4,525,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,209,099
Total indirect public support	2,059,027	4,525,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,634,127
Fees and grants from government and other agencies	68,013,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68,013,140
Other Revenue																					
Program service fees, net of membership discounts	126,380	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126,380
Interest income, net of vacancies, and other charges	8,739	-	-	417,292	1,692	342,447	1,215	-	67,274	-	212,150	190,135	113,889	554,225	210,279	390,410	-	-	345,338	(81,112)	2,042,672
Investment income	1,846,631	-	-	316	-	-	-	-	41	-	-	-	-	-	-	-	-	-	-	-	1,846,672
Change in investments in subsidiaries	(138,853)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(138,853)
Other revenue	1,990,901	-	-	35,327	31,196	24,522	2,535	-	1,548	-	48,731	29,939	15,425	18,186	33,863	291,307	51,125	2,323	-	-	2,378,295
Interest	292,988	-	-	-	-	2,535	-	-	-	-	-	-	-	-	-	-	-	-	-	-	292,988
Total other revenue	3,926,531	-	-	417,019	32,890	369,544	1,215	-	68,883	-	299,074	129,314	129,314	582,411	344,082	690,717	51,125	348,661	(1,322,838)	-	6,028,905
Net assets released from restrictions	4,728,705	(4,728,705)	-	15,494	(15,494)	1,158	(1,158)	-	127,308	(127,308)	-	-	-	-	-	-	-	-	-	-	-
Total revenue and other support	68,815,549	(153,606)	-	413,599	16,396	370,702	57	-	196,171	(127,308)	260,881	229,074	129,314	582,411	344,082	690,717	51,125	348,661	(1,011,068)	-	70,146,667
<b>EXPENSES</b>																					
Salaries and wages	3,789,947	-	-	83,244	-	114,535	-	-	7,308	-	-	23,916	10,931	-	47,429	53,474	-	-	51,112	(385,724)	3,805,122
Employee benefits	493,662	-	-	15,271	-	19,568	-	-	1,650	-	-	-	-	-	7,001	7,001	-	-	9,878	(71,502)	475,448
Payroll taxes	310,204	-	-	9,230	-	10,240	-	-	1,459	-	-	6,020	3,039	-	12,361	4,999	-	-	5,577	(39,862)	391,425
Specific assistance	53,643,062	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,643,062
Leasing costs	24,152	-	-	-	-	-	-	-	-	-	-	-	2,446	-	3,091	-	-	-	-	-	30,589
Professional fees	114,003	-	-	11,423	-	804	-	-	7,200	-	22,149	7,029	6,235	53,620	24,665	34,635	-	-	8,196	(39,778)	249,443
Professional fees - other service providers	2,860,726	-	-	24,096	-	13,384	-	-	2,556	-	11,562	4,509	2,900	(3,944)	8,833	353,796	-	-	23,992	(132,463)	3,398,673
Management fee	-	-	-	31,217	-	24,855	-	-	3,561	-	9,962	6,829	-	-	12,613	24,770	-	-	16,377	(130,124)	-
Supplies	571,812	-	-	54,591	-	1,647	-	-	1,848	-	13,038	9,207	50,842	-	9,800	14,203	-	-	39,579	-	768,387
Teléfono	40,551	-	-	1,960	-	1,960	-	-	389	-	1,204	2,345	2,451	-	259	2,338	-	-	-	-	72,291
Postage and shipping	22,946	-	-	-	-	31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,977
Occupancy - rental, utilities, and insurance	930,164	-	-	59,621	-	19,587	-	404	12,307	-	108,753	52,254	36,422	16,340	45,369	43,924	-	-	41,486	(685,071)	690,762
Occupancy - repairs, maintenance	60	-	-	11,453	-	60,625	-	-	4,017	-	21,395	7,397	34,894	-	21,326	-	-	-	6	-	162,033
Other repairs and maintenance	69,762	-	-	40,565	-	-	-	-	134	-	42,202	-	7,120	-	654	-	-	-	3,933	-	154,310
Conferences and meetings	52,386	-	-	1,006	-	-	-	-	11	-	41	-	-	-	39	-	-	-	430	-	54,343
Printing and publications	698	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	698
Traffic and transportation	12,326	-	-	599	-	-	-	-	140	-	1,263	929	-	132	810	-	-	-	-	-	16,196
Contributions, dues, and awards	65,359	-	-	-	-	257	-	-	362	-	39	-	-	39	-	-	-	-	-	-	66,056
Activity fees and charges	13,791	-	-	18,002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,233	-	47,029
Interest	3,513	-	-	65,348	-	-	-	1,810	-	-	48,609	-	410,780	-	120,065	57,145	-	-	41,529	(624,456)	2,065,607
Other	60,143	-	-	5,371	-	7,119	-	222	-	-	8,240	1,146	9,556	441	19,100	12,963	5,070	3,472	-	-	109,239
Travel	286,893	-	-	2,151	-	2,575	-	-	-	-	-	-	-	-	-	-	-	-	-	-	289,468
Bank fees (notaries) expense	259,197	-	-	2,258	-	-	-	178	-	-	5,457	-	9,793	-	733	4,768	-	-	3,371	-	461,339
Gifts or disposal of property and equipment	191,206	-	-	-	-	-	-	(8,574)	-	-	(37,557)	-	-	-	-	-	-	-	-	-	(95,131)
Depreciation and amortization	10,393,300	-	-	34,746	-	68,610	-	-	6,182	-	321,148	102,172	118,241	369,362	256,027	374,093	-	-	29,472	(11,250)	1,842,719
Total expenses	67,992,300	-	-	407,608	-	389,420	-	(7,803)	(344,070)	-	534,650	290,799	187,881	608,120	552,716	965,611	5,070	296,519	-	-	66,014,900
<b>CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS</b>	4,880,183	(153,606)	-	65,991	16,306	(18,718)	57	7,948	530,646	(127,308)	(274,069)	(61,716)	(868,957)	(26,109)	(348,674)	(324,894)	45,155	52,142	436,675	-	4,131,767
<b>TRANSFER OF NET ASSETS</b>																					
<b>CAPITAL (DISTRIBUTIONS) CONTRIBUTIONS</b>																					
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	31,323,944	7,938,891	7,400,000	(99,350)	111,156	2,967,403	77,349	161,525	(630,260)	127,308	1,718,006	900,907	(1,224,930)	(1,459,280)	1,917,832	4,671,344	221,090	16	(6,617,403)	-	46,833,127
<b>NET ASSETS (ACCUMULATED DEFICIT), END OF YEAR</b>	\$ 14,400,210	\$ 7,785,285	\$ 7,400,000	\$ (33,359)	\$ 127,462	\$ 2,948,685	\$ 73,496	\$ 169,473	\$ 60	\$ -	\$ 1,444,037	\$ 845,153	\$ (1,221,030)	\$ (1,485,390)	\$ 6,704,607	\$ 4,346,450	\$ 266,245	\$ 92,338	\$ (6,205,228)	\$ -	\$ 48,314,449

See independent auditor's report on supplementary information.

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

	SOCIAL SERVICES			NEW LIFE MANOR APARTMENTS		BONER PROPERTIES, LLC		JHCC 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 CONSTRUCTION, LLC	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		
<b>REVENUE AND OTHER SUPPORT</b>																				
Direct Public Support																				
Contributions	\$ 318,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,642
Social events, net of \$6,500 expense	2,163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,163
Total direct public support	318,642	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	318,642
Indirect Public Support																				
United Way																				
Support funds	1,189,768	-	-	-	-	-	-	-	-	-	5,621	-	-	-	-	-	-	-	-	(5,621)
Donor gifts	7,746	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,746
Grants and awards	2,709,032	5,226,693	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,935,725
Total indirect public support	3,897,462	5,226,693	-	-	-	-	-	-	-	-	5,621	-	-	-	-	-	-	-	-	9,124,255
Fees and grants from government and other agencies	37,064,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(601,981)
Other Revenue																				
Program service fees	98,330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,818)
Interest income and other charges	1,210	-	-	408,841	13,151	344,225	1,324	359,227	54,115	226,112	203,647	117,700	564,225	28,221	381,648	-	-	-	-	698,269
Investment income	1,665,888	-	-	433	-	-	-	747	-	-	-	-	-	-	-	-	-	-	-	(653,058)
Change in investment in subsidiaries	(10,558)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,220
Other	697,489	-	-	2,183	-	2,189	-	514,418	-	136	1,910	309	2,210	5,554	89	268,824	-	-	-	(1,110,741)
Total other revenue	2,689,698	-	-	411,537	13,151	346,524	1,324	873,882	54,115	230,728	205,557	118,009	566,435	33,775	388,737	-	-	-	-	(2,552,643)
Net assets released from restrictions	1,548,033	(1,548,033)	-	27,662	(27,662)	1,629	(1,629)	29,840	(29,840)	-	-	-	-	-	-	-	-	-	-	-
Total revenue and other support	45,498,409	3,726,620	-	431,206	(7,410)	348,624	(170)	903,732	24,225	276,760	205,557	118,009	566,435	33,775	388,737	-	-	-	-	(3,360,143)
<b>EXPENSES</b>																				
Salaries and wages	3,600,614	-	-	92,152	-	49,126	-	54,858	-	98,517	33,997	20,359	-	30,893	77,127	-	-	-	-	(491,519)
Employee benefits	46,110	-	-	14,843	-	5,093	-	11,309	-	16,068	-	-	2,311	3,322	7,860	-	-	-	-	(71,728)
Payroll taxes	380,787	-	-	10,190	-	4,285	-	7,006	-	10,257	6,683	5,130	3,742	-	7,666	-	-	-	-	(51,363)
Specific assistance	34,492,155	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35,466)
Leasing costs	20,582	-	-	-	-	-	-	-	-	-	-	1,906	-	-	-	-	-	-	-	22,488
Professional fees	187,407	-	-	10,902	-	7,969	-	7,905	-	17,366	8,502	7,868	40,091	13,883	4,100	-	-	-	-	(26,178)
Professional fees - other service providers	1,869,694	-	-	23,390	-	7,969	-	13,966	-	9,884	4,125	2,500	-	-	22,813	-	-	-	-	(183,918)
Management fee	-	-	-	30,235	-	25,337	-	26,623	-	10,276	7,062	-	-	-	48,324	-	-	-	-	(137,581)
Supplies	433,991	-	-	54,509	-	2,662	-	11,471	-	7,708	3,684	22,303	180	3,115	7,000	-	-	-	-	(5,043)
Teléfono	69,854	-	-	1,874	-	1,874	-	8,719	-	866	1,162	1,216	1,031	450	-	-	-	-	-	(4,168)
Postage and shipping	9,986	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,906
Occupancy - rental, utilities, and insurance	997,706	-	-	48,442	-	22,333	-	525	-	61,515	43,800	37,069	18,411	12,971	22,475	-	-	-	-	(665,244)
Occupancy - repairs and maintenance	-	-	-	13,633	-	42,225	-	20,542	-	18,180	10,332	-	53,576	-	-	-	-	-	-	165,498
Other repairs and maintenance	59,065	-	-	21,100	-	11,500	-	17,367	-	37,642	-	-	105	-	-	-	-	-	-	(362)
Conferences and meetings	57,145	-	-	-	-	-	-	1,329	-	-	-	-	-	-	-	-	-	-	-	58,474
Printing and publications	844	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	844
Traffic and transportation	4,636	-	-	312	-	930	-	474	-	318	587	-	86	-	-	-	-	-	-	(7,421)
Contributions, dues, and awards	94,950	-	-	244	-	2,956	-	9	-	2,956	6	21	-	-	-	-	-	-	-	(8,221)
Activity fees and charges	791	-	-	25,864	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,645
Interest	30,524	-	-	17,265	-	44,616	-	44,616	-	49,300	381,602	127,740	-	10,980	57,808	-	-	-	-	(582,367)
Other	340,682	-	-	4,765	-	7,137	-	9,648	-	10,316	4,182	23,802	21,282	407	113,650	25,525	224	24	24	(241,591)
Board	198,201	-	-	-	-	-	-	-	-	4,091	-	-	-	-	-	-	-	-	-	202,292
Bad debt	637,393	-	-	6,507	-	41,665	-	3,037	-	120	2,414	10,755	-	-	15,700	-	-	-	-	(553,961)
Depreciation and amortization	185,533	-	-	36,500	-	68,610	-	59,360	-	371,148	68,756	114,613	369,362	105,735	374,093	-	-	-	-	(31,204)
Total expenses	43,061,612	-	-	419,513	-	300,622	-	806,271	-	633,358	355,062	649,987	627,085	295,320	717,689	-	-	224	24	(3,006,547)
<b>CHANGE IN NET ASSETS, BEFORE CAPITAL DISTRIBUTIONS</b>	1,506,827	3,726,620	-	12,133	(7,410)	47,681	(376)	(80,871)	523,140	24,225	(196,998)	(99,505)	(531,678)	(61,558)	(261,543)	(335,952)	269,603	(24)	(353,568)	4,052,921
<b>TRANSFER OF NET ASSETS</b>	189,788	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CAPITAL (DISTRIBUTIONS) CONTRIBUTIONS</b>	-	-	-	-	-	-	-	-	-	-	-	-	371,578	-	1,186,116	334,127	-	100	(381,778)	1,490,143
<b>NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR</b>	28,636,229	4,180,247	7,400,000	(914,496)	118,574	2,979,222	73,224	132,396	(1,053,715)	103,033	2,115,604	1,080,422	(1,064,689)	(1,300,736)	1,013,261	4,673,169	132,204	-	(4,902,027)	43,200,113
<b>NET ASSETS (ACCUMULATED DEFICIT), END OF YEAR</b>	\$ 30,333,944	\$ 2,908,967	\$ 7,400,000	\$ (902,969)	\$ 111,164	\$ 2,967,403	\$ 73,348	\$ 363,525	\$ (530,260)	\$ 127,308	\$ 1,219,606	\$ 980,947	\$ (1,224,982)	\$ (1,439,288)	\$ 1,917,832	\$ 4,673,364	\$ 221,206	\$ 76	\$ (5,613,403)	\$ 48,833,117

See independent auditors' report on supplementary information.

**THE JOHN H. BONER COMMUNITY CENTER, INC. D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES**  
**D/B/A JOHN BONER NEIGHBORHOOD CENTERS AND SUBSIDIARIES**  
CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

EXHIBIT III  
Page 1 of 4

	INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH															
	SOCIAL SERVICES	NEW LIFE MANOR 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 CONSTRUCTION, LLC	BYRNE COURT, LP	NEW LIFE MANOR, LP	ELIMINATIONS	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>																
Cash and cash equivalents received from organizations and others	\$ 121,271,724	\$ 507,126	\$ 174,302	\$ -	\$ 69,609	\$ 299,812	\$ 249,987	\$ -	\$ 129,852	\$ 240,160	\$ 349,328	\$ 435,543	\$ 396,602	\$ -	\$ 1,307,869	\$ 1,311,893,514
Cash and cash equivalents paid to suppliers, employees, and others	(62,670,576)	(380,544)	(93,449)	(52,639)	(77,756)	(126,515)	(185,404)	416,765	10,994	(561,193)	(442,163)	(213,057)	11,473	-	(1,756,205)	(664,122,288)
Interest paid	(3,513)	(46,388)	-	-	(1,810)	-	(13,656)	(419,780)	(126,569)	-	(57,938)	-	(41,523)	-	632,169	(75,208)
Investment income received	963,275	396	-	-	41	-	-	-	-	-	-	-	-	-	(632,169)	231,543
<i>Net cash, cash equivalents, and restricted cash provided by (used in) operating activities</i>	<u>65,460,911</u>	<u>81,189</u>	<u>80,853</u>	<u>(52,639)</u>	<u>(9,916)</u>	<u>81,297</u>	<u>59,727</u>	<u>(3,025)</u>	<u>14,277</u>	<u>(321,033)</u>	<u>(150,773)</u>	<u>222,476</u>	<u>396,552</u>	<u>-</u>	<u>151,663</u>	<u>65,923,560</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>																
Proceeds from sale of investments	345,695	-	-	-	-	-	-	-	-	-	-	-	-	-	-	345,695
Purchases of investments	(1,385,157)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,385,157)
Proceeds from disposal of property and equipment	77,503	-	-	52,639	-	-	-	-	-	-	-	-	-	-	-	130,142
Acquisition of property and equipment	(652,904)	(10,807)	-	-	-	(83,993)	(8,996)	(18,230)	(13,767)	-	-	-	(3,504,990)	-	-	(4,293,693)
Payments received from notes receivable	265,275	-	-	-	-	-	-	-	-	-	-	-	-	-	(265,275)	-
Investments made in notes receivable	(726,291)	-	-	-	-	-	-	-	-	-	-	-	-	-	365,169	(361,122)
<i>Net cash, cash equivalents, and restricted cash provided by (used in) investing activities</i>	<u>(2,279,918)</u>	<u>(10,807)</u>	<u>-</u>	<u>52,639</u>	<u>-</u>	<u>(83,993)</u>	<u>(8,996)</u>	<u>(18,230)</u>	<u>(13,767)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,504,990)</u>	<u>-</u>	<u>99,894</u>	<u>(5,768,174)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>																
Principal payments on notes and mortgages payable	-	(26,759)	-	-	-	-	(11,351)	(1,857)	-	(4,115,953)	(29,133)	-	(109,178)	-	24,380	(4,269,821)
Proceeds from notes payable	-	-	-	-	-	-	-	-	-	-	-	-	2,596,180	-	(219,937)	2,396,253
Transfer of cash during acquisition	-	-	-	-	(131,330)	-	-	-	-	-	-	-	-	-	131,330	-
Payment of developer fees	(285,390)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(285,390)
Payment of financing fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,934)	(42,934)
Capital contributions (paid) received	(29,001)	-	-	-	-	-	-	29,000	-	4,469,406	-	-	900,100	-	-	5,399,506
<i>Net cash, cash equivalents, and restricted cash provided by (used in) financing activities</i>	<u>(314,391)</u>	<u>(26,759)</u>	<u>-</u>	<u>-</u>	<u>(131,330)</u>	<u>-</u>	<u>(11,351)</u>	<u>27,143</u>	<u>-</u>	<u>353,483</u>	<u>(29,133)</u>	<u>-</u>	<u>3,445,508</u>	<u>-</u>	<u>(251,557)</u>	<u>3,061,613</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>62,866,602</b>	<b>43,624</b>	<b>80,853</b>	<b>-</b>	<b>(141,240)</b>	<b>(2,696)</b>	<b>30,389</b>	<b>5,888</b>	<b>510</b>	<b>32,450</b>	<b>(188,905)</b>	<b>222,476</b>	<b>267,054</b>	<b>-</b>	<b>-</b>	<b>63,216,999</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR</b>	<b>5,789,872</b>	<b>298,095</b>	<b>164,228</b>	<b>-</b>	<b>141,826</b>	<b>6,220</b>	<b>121,449</b>	<b>89,180</b>	<b>9,752</b>	<b>230,114</b>	<b>401,324</b>	<b>215,719</b>	<b>10,282</b>	<b>-</b>	<b>-</b>	<b>7,388,031</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR</b>	<b>\$ 68,656,474</b>	<b>\$ 251,699</b>	<b>\$ 245,081</b>	<b>\$ -</b>	<b>\$ 380</b>	<b>\$ 3,524</b>	<b>\$ 151,829</b>	<b>\$ 95,068</b>	<b>\$ 10,262</b>	<b>\$ 262,564</b>	<b>\$ 212,418</b>	<b>\$ 438,195</b>	<b>\$ 277,316</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,605,030</b>
<b>SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>																
Additions of property and equipment with capital contributions	\$ -	\$ 54,414	\$ -	\$ -	\$ -	\$ -	\$ 25,902	\$ 43,508	\$ -	\$ 56,043	\$ -	\$ -	\$ -	\$ -	\$ (179,867)	\$ -
Capitalized interest expense in property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	38,427	-	-	38,427
Purchase of property and equipment included in accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	596,469	-	-	596,469
Purchase of property and equipment via non-company funding	-	-	-	-	-	-	-	-	-	-	-	-	-	465,640	(465,640)	-
Assets acquired through assumption of debt/liabilities	-	-	-	-	-	-	-	-	-	-	-	-	1,391,665	-	-	1,391,665

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 CONSTRUCTION, LLC	BYRNE COURT, LP	NEW LIFE MANOR, LP	ELIMINATIONS	TOTAL
<b>CHANGE IN NET ASSETS</b>	\$ 4,726,577	\$ 82,297	\$ (18,736)	\$ 7,948	\$ 403,538	\$ (274,069)	\$ (81,716)	\$ (568,567)	\$ (26,109)	\$ (348,674)	\$ (324,894)	\$ 45,155	\$ 52,142	\$ -	\$ 436,875	\$ 4,131,767
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES</b>																
Depreciation and amortization	191,206	34,746	68,610	-	4,182	321,148	102,172	118,041	369,362	259,977	374,093	-	28,472	-	(31,250)	1,842,759
Gain on disposal of property and equipment	-	-	-	(8,574)	(387,557)	-	-	-	-	-	-	-	-	-	-	(306,131)
Unrealized gain on investments	(985,336)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(985,336)
Change in investment in subsidiary	338,893	-	-	-	-	-	-	-	-	-	-	-	-	-	-	219,190
(Increase)/decrease in operating assets																
Grant reimbursements receivable	1,247,916	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,247,916
Unpaid Way receivables	(523,847)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(523,847)
Refused party receivables	(706,424)	15,839	(192,532)	-	-	(56,526)	18,439	-	(452,559)	(3,922)	(87,886)	(284,192)	-	-	1,539,447	(170,298)
Other receivables, net	(6,137,291)	4,793	868	-	71	-	965	6,836	-	-	6,648	-	(205)	-	-	(6,117,613)
Prepaid expenses	42,291	(1,564)	(1,355)	107	9,913	(2,604)	193	883	(537)	45,416	(2,479)	5,373	(8,897)	-	-	55,844
(Increase)/decrease in operating liabilities																
Accounts payable	(43,890)	1,337	20,960	-	(8,761)	17,169	1,447	(10,363)	69,075	8,093	(2,244)	123,543	26,607	-	-	202,973
Accrued payroll	22,216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,216
Refused party payables	773,139	(58,419)	201,788	(52,152)	(18,645)	76,179	(9,151)	30,973	42,625	(280,090)	19,897	-	113,245	-	(862,539)	(10,400)
Other payables and accrued expenses	45,423	2,421	1,850	32	(14,557)	-	(11,767)	419,098	12,420	(8,364)	36,143	312,599	103,041	-	(852,439)	39,895
Deferred revenue	(32,777)	-	-	-	-	-	1,510	274	-	6,551	(239,351)	-	8,146	-	-	(224,176)
Refundable advance on PPP	(783,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(783,000)
Refundable advance related to grants	67,285,815	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,285,815
<i>Total adjustments</i>	40,734,334	(1,107)	99,589	(60,587)	(413,454)	355,366	112,443	565,542	49,386	27,641	165,121	177,321	274,410	-	(285,212)	61,791,793
<b>NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	\$ 65,460,911	\$ 81,190	\$ 80,853	\$ (52,639)	\$ (9,916)	\$ 81,297	\$ 50,727	\$ (3,025)	\$ 14,277	\$ (321,033)	\$ (159,773)	\$ 222,476	\$ 326,552	\$ -	\$ 151,663	\$ 65,973,560

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

EXHIBIT III  
Page 3 of 4

**INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

	<b>SOCIAL SERVICES</b>	<b>NEW LIFE MANOR APARTMENTS</b>	<b>BONER PROPERTIES, LLC</b>	<b>JHBCC PROPERTIES, LLC</b>	<b>BYRNE COURT APARTMENTS</b>	<b>BROOKSIDE COMMERCIAL, LLC</b>	<b>BROOKSIDE APARTMENTS, LP</b>	<b>JEFFERSON APARTMENTS, LP</b>	<b>NEAR EAST SIDE LEGACY CENTER, LLC</b>	<b>THE UNION AT THOMAS GREGG, LP</b>	<b>INDYEAST HOMES, LP</b>	<b>MARVIN GARDENS CONSTRUCTION, LLC</b>	<b>BYRNE COURT, LP</b>	<b>ELIMINATIONS</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>															
Cash received from organizations and others	\$ 45,292,556	\$ 397,816	\$ 297,945	\$ -	\$ 928,543	\$ 257,500	\$ 223,901	\$ -	\$ 88,001	\$ 40,537	\$ 468,121	\$ 503,864	\$ 393,606	\$ 694,238	\$ 49,586,718
Cash 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)	(654,962)	-	(477,302)	(45,592,639)
Interest paid	(30,534)	(47,285)	-	-	(44,616)	-	(14,547)	(381,002)	(127,710)	-	(57,938)	-	-	589,035	(114,597)
Investment income received	907,199	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>19,838</u>	<u>29,054</u>	<u>(383,080)</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>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>															
Proceeds from sale of investments	71,533	-	-	-	-	-	-	-	-	-	-	-	-	-	71,533
Purchases of investments	(211,378)	-	-	-	-	-	-	-	-	-	-	-	-	-	(211,378)
Acquisition of property and equipment	(300,767)	(8,164)	-	-	-	(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)	-	-	-	-	-	-	-	-	-	-	-	-	237,769	(240,696)
<i>Net cash, cash equivalents, and restricted cash provided by (used in) investing activities</i>	<u>(680,939)</u>	<u>(8,164)</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>(1,620,712)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>															
Net repayments on line of credit	(242,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	(242,500)
Principal payments on notes and mortgages payable	(1,003,598)	(25,936)	-	-	(91,915)	-	(10,739)	(1,857)	-	-	(19,796)	-	-	15,041	(1,136,818)
Cash inflow from note payable	-	-	-	-	-	-	-	-	-	43,500	-	-	-	-	43,500
Transfer of net assets	180,788	-	-	-	-	-	-	-	-	-	-	(189,788)	-	-	-
Capital contributions (paid) received	-	-	-	-	-	-	-	371,578	-	1,306,116	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>(10,739)</u>	<u>369,721</u>	<u>-</u>	<u>1,299,616</u>	<u>314,331</u>	<u>(189,788)</u>	<u>100</u>	<u>(366,730)</u>	<u>52,325</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<u>2,158,344</u>	<u>25,622</u>	<u>82,279</u>	<u>-</u>	<u>44,591</u>	<u>4,862</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>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR</b>	<u>3,631,528</u>	<u>182,443</u>	<u>81,948</u>	<u>-</u>	<u>97,235</u>	<u>1,268</u>	<u>108,154</u>	<u>112,538</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>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR</b>	<u>\$ 5,789,872</u>	<u>\$ 208,065</u>	<u>\$ 164,228</u>	<u>\$ -</u>	<u>\$ 141,826</u>	<u>\$ 6,229</u>	<u>\$ 121,449</u>	<u>\$ 89,180</u>	<u>\$ 9,752</u>	<u>\$ 239,114</u>	<u>\$ 401,324</u>	<u>\$ 215,719</u>	<u>\$ 10,282</u>	<u>\$ -</u>	<u>\$ 7,388,031</u>
<b>SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>															
Purchase of property and equipment with loan proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,617,432	\$ -	\$ -	\$ 505,001	\$ (505,001)	\$ 3,617,432

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

CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit III  
Page 4 of 4

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 CONSTRUCTION, LLC	BYRNE COURT, LP	ELIMINATIONS	TOTAL
<b>CHANGE IN NET ASSETS</b>	\$ 5,235,497	\$ 4,715	\$ 47,306	\$ (10,871)	\$ 547,724	\$ (396,988)	\$ (89,505)	\$ (531,878)	\$ (61,650)	\$ (261,545)	\$ (335,952)	\$ 269,600	\$ (24)	\$ (353,598)	\$ 4,052,921
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY OPERATING ACTIVITIES</b>															
Depreciation and amortization	186,533	36,500	68,610	-	59,360	321,148	98,795	114,913	369,362	105,735	374,093	-	-	(31,250)	1,703,800
Unrealized gains on investments	(718,389)	-	-	-	-	-	-	-	-	-	-	-	-	-	(718,389)
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	(887,467)	(15,858)	(41,664)	-	-	11,586	15,126	-	(478,434)	6,752	(155,679)	234,040	-	1,041,806	(89,782)
Other receivables, net	1,317	(3,402)	33,046	-	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	5,390	-	-	(29,077)
<i>Increase (decrease) in operating liabilities</i>															
Accounts payable	986,324	(803)	(51,750)	-	(1,274)	(9,265)	(14,387)	(23,939)	746	(92,186)	(64,925)	(669,587)	-	-	58,957
Accrued payroll	62,296	-	-	-	-	-	-	-	-	-	-	-	-	-	62,296
Related party payables	463,666	41,705	24,476	19,874	(527,024)	83,034	(9,390)	(322,909)	177,198	(67,669)	78,376	-	382,150	(18,348)	316,152
Other payables and accrued expenses	44,507	(2,744)	(176)	-	(1,678)	-	34,007	371,816	12,420	40,381	(142,693)	9,449	11,490	(427,764)	(51,803)
Deferred revenue	(60,013)	(272)	-	-	-	-	(1,058)	499	-	-	238,411	-	-	-	278,613
Refundable advance of PPP	783,000	-	-	-	-	-	-	-	-	-	-	-	-	-	783,000
<i>Total adjustments</i>	(1,230,904)	55,008	34,973	10,871	(411,218)	416,906	128,559	138,798	81,952	(55,540)	332,374	(420,718)	393,630	570,474	45,185
<b>NET UNRESTRICTED CASH, CASH EQUIVALENTS, AND RESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	\$ 4,004,593	\$ 56,723	\$ 82,279	\$ -	\$ 136,506	\$ 19,929	\$ 20,054	\$ (93,080)	\$ 20,402	\$ (317,085)	\$ (3,578)	\$ (151,118)	\$ 393,606	\$ 216,876	\$ 4,099,106

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, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Indiana Housing & Community Development Authority <i>Housing Counseling Assistance Program</i>	14.169	HC-020 - 001	\$ 14,631
City of Indianapolis - Department of Metropolitan Development <u>CDBG-Entitlement Grants Cluster</u> <i>Community Development Block Grants/Entitlement Grants</i>	14.218	1300016919	76,045
<i>Community Development Block Grants/Entitlement Grants</i>	14.218	1300017853	63,448
<i>Community Development Block Grants/Entitlement Grants</i>	14.218	1300017926	73,891
<i>Community Development Block Grants/Entitlement Grants</i>	14.218	1300018604	15,000
			<u>228,384</u>
Indianapolis Housing Authority <u>Section 8 Project-Based Cluster</u> <i>Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation</i>	14.856	IN017	651,326
<i>Total U.S. Department of Housing and Urban Development Programs</i>			<u>894,341</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Innovation in Community-Based Crime Reduction</i>	16.817		128,086
<i>Total U.S. Department of Justice Programs</i>			<u>128,086</u>
<b>U.S. DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE</b>			
United Way of Central Indiana <i>Volunteer Income Tax Assistance (VITA) Matching Grant Program</i>	21.009	Agreement #1593	10,081
	21.009	Agreement #2089	935
<i>Total Department of Treasury - Internal Revenue Service Programs</i>			<u>11,016</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
City of Indianapolis - Department of Metropolitan Development <i>COVID - 19 Coronavirus Relief Funds - Rental Assistance</i>	21.019	17732	750,000
Indiana Housing & Community Development Authority & City of Indianapolis - Office of Public Health and Safety <i>Emergency Rental Assistance Program</i>	21.023	ERA - 1 - 001	24,168,894
<i>Emergency Rental Assistance Program</i>	21.023	Indianapolis COVID - 19 RA	28,880,904
			<u>53,049,798</u>
<i>Total U.S. Department of Treasury</i>			<u>53,810,814</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Innovative Approaches to Literacy, Full-Service Community Schools, and Promise Neighborhoods</i>	84.215J		303,957
Indiana Department of Education <i>21st Century Community Learning Centers</i>	84.287	A58818DL4566	148,364
<i>21st Century Community Learning Centers</i>	84.287	A58919DL0013	278,069
Near Eastside Innovation School Corporation <i>21st Century Community Learning Centers</i>	84.287	A58919DL0050	174,307
<i>21st Century Community Learning Centers</i>	84.287	A58222DL0062	47,766
			<u>648,506</u>
<i>Total U.S. Department of Education Programs</i>			<u>952,463</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
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-2019-21	3,000
Indiana State Department of Health <i>Maternal and Child Health Federal Consolidated Programs</i>	93.110	0037241	106,392
Indiana Department of Health-LifeSmart Youth <i>Teenage Pregnancy Prevention Program</i>	93.297	1 TP1AH000241-01-00	26,960
Indiana Housing & Community Development Authority <i>Low-Income Home Energy Assistance Program</i>	93.568	LI-021-026	640,696
<i>Low-Income Home Energy Assistance Program</i>	93.568	LI-CV-020-026	22,753
<i>COVID - 19 Low-Income Home Energy Assistance Program</i>	93.568	LI-ARPA-021-026	359,431
			<u>1,022,880</u>
Indiana Housing & Community Development Authority <i>Assets for Independence</i>	93.602	IDA016-015	10,000
<i>Total U.S. Department of Health and Human Services Programs</i>			<u>1,169,232</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, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
Serve Indiana, Indiana Department of Workforce Development <i>AmeriCorps</i>	94.006	AF20884	\$ 85,532
<i>Total Corporation for National and Community Service Programs</i>			85,532
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
United Way of Central Indiana <i>Emergency Food and Shelter National Board Program</i>	97.024	27280019-019 Phase 37	20,400
<i>Emergency Food and Shelter National Board Program</i>		27280019-019 Phase 38	9,994
<i>COVID - 19 Emergency Food and Shelter National Board Program</i>		27280019-019 Phase CARES	26,548
<i>Total U.S. Department of Homeland Security Programs</i>			56,942
<i>Grand Total</i>			\$ 57,097,410

**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. During 2021, grant agreements related to Assistance Listing #21.019, Coronavirus Relief Funds - Rental Assistance, were approved and signed in April 2021. The grant period for this grant was April 2020 - February 2021. Pursuant to 2 CFR 200.502, approximately \$460,975 of 2020 expenses have been included in the Schedule as of December 31, 2021.

**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, 2021, 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 12, 2022. Our report includes a reference to other auditors who audited the financial statements of New Life Manor, Inc., Brookside Apartments, LP, Jefferson Apartments, LP, Indy East Homes, LP, The Union at Thomas Gregg, LP, and Byrne Court, 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.

**Report on 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021 - 001 that we consider to be a significant deficiency.

### **Report on 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 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*.

### **The Organization's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other 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 12, 2022



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***

**Opinion on 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 identified as subject to audit 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, 2021. 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 \$1,728,402 in federal awards which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2021. The Organization's basic consolidated financial statements include the operations of Parish Place, Inc. d/b/a Byrne Court Apartments (Byrne), which received \$1,600,201 in federal awards for the period July 1, 2020 through February 25, 2021 which is not included in the Organization's schedule of expenditures of federal awards for the year ended December 31, 2021. Our audit, described below, did not include the operations of NLM or Byrne because the entities engaged other auditors to perform audits of compliance.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

**Basis for Opinion on Each Major Federal Program**

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

We are required to be independent of the Organization 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 each major federal program. Our audit does not provide a legal determination of the Organization'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 the Organization's federal programs.

### **Auditors' 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 the Organization'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 GAAS, *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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Organization'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 the Organization'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and

questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021 - 001 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other 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 12, 2022

**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 \_\_\_X\_\_\_no
  - Significant deficiency(ies) identified? \_\_X\_\_\_yes \_\_\_\_\_none reported
- 3. Noncompliance material to financial statements noted? \_\_\_\_\_yes \_\_\_X\_\_\_no

Federal Awards

- 4. Internal control over major federal programs:
  - Material weakness(es) identified? \_\_\_\_\_yes \_\_\_X\_\_\_no
  - Significant deficiency(ies) identified? \_\_X\_\_\_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)? \_\_X\_\_\_yes \_\_\_\_\_no
- 7. Identification of major programs:

	<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	21.023	Emergency Rental Assistance Program
- 8. Dollar threshold used to distinguish between type A and type B programs: \$ 1,712,922
- 9. Auditee qualified as low-risk auditee? \_\_X\_\_\_yes \_\_\_\_\_no

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

See Finding 2021-001 below.

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

FINDING 2021-001:

US DEPARTMENT OF THE TREASURY, City of Indianapolis - Office of Public Health and Safety, Emergency Rental Assistance Program 21.023, for the year ended December 31, 2021

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

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. Upon comparison of actual program expenditures to the general ledger detail, it was noted that the expenditures reported in the general ledger and the Schedule was overstated.

Cause: An advancement of rental assistance funds to a new partner organization was made at the end of the first fiscal year for use in the next fiscal year and was not included in the original reconciliation schedule. While the Organization performed a reconciliation process, the reconciliation schedule that the Organization used was incomplete and contained omissions as the grant period was still open. Complicating the reconciliation was the fact that the grant period spanned two fiscal years, from 4/1/21 – 09/30/22.

Effect: This resulted in overstatement of the Center's expenditures under the federal award of \$531,008.

Questioned costs: \$531,008.

Context: Total rental assistance provided during the year ended December 31, 2021 was \$53,049,798.

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

FINDING 2021-001, Continued:

Recommendation: We recommend that management change its accounting process to treat advances to partner organizations as a prepaid expense in the general ledger. When partner organizations report their expenses monthly, the Organization should then record the actual expenditures and reduce the prepaid expense by the actual amount of reported expenditures.

Views of Responsible Officials: See attached corrective action plan.

**D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

See client response attached.



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

## CORRECTIVE ACTION PLAN

June 27, 2022

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, 2021.

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 2021 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

2021 – 001

Emergency Rental Assistance Program 21.023

Grant expenditures were overstated at fiscal year-end.

Recommendation: We recommend that management change its accounting process to treat advances to partner organizations as a prepaid expense in the general ledger. When partner organizations report their expenses monthly, the Organization should then record the actual expenditures and reduce the prepaid expenses by the actual amount of reported expenditures.

Action Taken: We concur with the recommendation. Effective July 2022, management treated advances to partner organizations as a prepaid expense in the general ledger. On a monthly basis management will record the actual partner organization expenditures and reduce the prepaid expense based upon the partner organizations actual amount of monthly expenditures.

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

Sincerely yours,

A handwritten signature in blue ink, appearing to read "James Taylor", is written over the typed name.

James Taylor, Chief Executive Officer



# JOHN BONER NEIGHBORHOOD CENTERS

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

## Summary Schedule of Prior Audit Findings

June 27, 2022

To: U.S. Department of Treasury

The John H. Boner Community Center, Inc. d/b/a Boner Neighborhood Centers and Subsidiaries respectfully submits the follow summary schedule of prior audit findings for the year ended December 31, 2022.

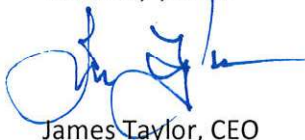
Audit Finding: 2020 – 001 Coronavirus Relief Funds – Rental Assistance 21.019

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.

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

Current Status: The recommendation was adopted April 2021. Management implemented procedures in which program expenditures are evaluated and reconciled on a monthly basis.

Sincerely yours,



James Taylor, CEO