

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE FINANCIAL  
INFORMATION AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2019**

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

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WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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## **Independent Auditors' Report**

Board of Directors  
COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC. AND SUBSIDIARIES, ET AL  
Indianapolis, Indiana

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Community Action of Greater Indianapolis, Inc. (a nonprofit organization) and Subsidiaries (Franklin School Apartments, L.P. and CAGI Housing, Inc.), 21<sup>st</sup> Street Seniors, L.P., 21<sup>st</sup> Street Seniors II, L.P., Commons at Spring Mill, L.P., and Beech Grove Senior, LLC (collectively, the Organization or Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit 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. 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 Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

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

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

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 Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.'s ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibilities 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 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 Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.'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 substantial doubt about Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.'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.

### **Report on Summarized Comparative Information**

We have previously audited Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.'s December 31, 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 31, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

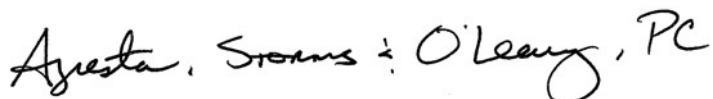


## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information shown on pages 24 through 28 is presented for purposes of additional analysis, and is not a required part of the consolidated financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the consolidated financial statements. 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2021 on our consideration of Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.'s internal control over financial reporting and compliance.



Indianapolis, Indiana  
August 9, 2021

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE FINANCIAL  
INFORMATION FOR DECEMBER 31, 2019**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 473,758	\$ 325,591
Accounts receivable	467,927	206,408
Current portion of notes receivable	5,722	-0-
Other assets	42,999	89,589
<b>Total current assets</b>	<b>990,406</b>	<b>621,588</b>
<b>Property and equipment:</b>		
Land and land improvements	6,118,529	7,421,241
Property and equipment	28,730,245	27,413,380
	34,848,774	34,834,621
Accumulated depreciation	(12,011,151)	(10,879,746)
<b>Net property and equipment</b>	<b>22,837,623</b>	<b>23,954,875</b>
<b>Other assets:</b>		
Restricted deposits and funded reserves	1,411,299	1,386,316
Other deposits	11,400	11,000
Notes receivable, net of current portion	114,933	-0-
Deferred costs, net of accumulated amortization	82,369	96,819
<b>Total other assets</b>	<b>1,620,001</b>	<b>1,494,135</b>
<b>Total assets</b>	<b>\$25,448,030</b>	<b>\$26,070,598</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 136,709	\$ 127,154
Line of credit	75,000	-0-
Accounts payable	346,229	198,560
Other current liabilities	515,995	432,374
<b>Total current liabilities</b>	<b>1,073,933</b>	<b>758,088</b>
<b>Long-term liabilities:</b>		
Other long-term liabilities	475,899	575,516
Long-term debt, net of current portion and debt issuance costs	5,451,208	5,562,323
<b>Total long-term liabilities</b>	<b>5,927,107</b>	<b>6,137,839</b>
<b>Total liabilities</b>	<b>7,001,040</b>	<b>6,895,927</b>
<b>Net assets:</b>		
Without donor restrictions	(363,526)	(483,280)
With donor restrictions	725,000	725,000
Noncontrolling interests	18,085,516	18,932,951
<b>Total net assets</b>	<b>18,446,990</b>	<b>19,174,671</b>
<b>Total liabilities and net assets</b>	<b>\$25,448,030</b>	<b>\$26,070,598</b>

See Accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE FINANCIAL  
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019**

	Year Ended December 31, 2020			Year Ended December 31, 2019
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Revenues and other support:</b>				
Grant revenues	\$4,679,304	\$ -0-	\$4,679,304	\$ 4,642,189
Other revenues	328,267	-0-	328,267	182,620
Rental income	2,163,289	-0-	2,163,289	2,078,576
Interest income	4,735	-0-	4,735	7,596
<b>Total revenues and other support</b>	<b>7,175,595</b>	<b>-0-</b>	<b>7,175,595</b>	<b>6,910,981</b>
<b>Expenses:</b>				
Program services:				
Energy and Weatherization	753,391	-0-	753,391	1,194,977
Children and Youth	340,210	-0-	340,210	460,387
Housing and Welfare	2,998,429	-0-	2,998,429	2,331,412
	4,092,030	-0-	4,092,030	3,986,776
Supporting services:				
General and administrative	693,022	-0-	693,022	747,777
Fundraising	8,250	-0-	8,250	28,745
<b>Total program and supporting services</b>	<b>4,793,302</b>	<b>-0-</b>	<b>4,793,302</b>	<b>4,763,298</b>
Other multifamily housing expenses	3,109,974	-0-	3,109,974	3,164,450
<b>Total expenses</b>	<b>7,903,276</b>	<b>-0-</b>	<b>7,903,276</b>	<b>7,927,748</b>
<b>Decrease in net assets before noncontrolling interests</b>	<b>(727,681)</b>	<b>-0-</b>	<b>(727,681)</b>	<b>(1,016,767)</b>
Add back: Loss attributable to noncontrolling interests	847,435	-0-	847,435	878,414
<b>Increase (decrease) in net assets</b>	<b>\$ 119,754</b>	<b>\$ -0-</b>	<b>\$ 119,754</b>	<b>\$ (138,353)</b>

See Accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE FINANCIAL  
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019**

	Year Ended December 31, 2020					Year Ended December 31, 2019	
	Energy and Weatherization	Children and Youth	Housing and Welfare	Program Services Totals	General Administrative	Fundraising	Total
Benefit payments	\$ 422,662	\$ 11,313	\$2,101,563	\$2,535,538	\$ -0-	\$ -0-	\$2,535,538
Salaries and wages	182,486	17,092	346,371	545,949	336,200	-0-	882,149
Professional fees	20,955	50,266	145,290	216,511	51,729	-0-	268,240
Occupancy	45,875	4,762	83,701	134,338	80,362	-0-	214,700
Employee benefits	11,365	17,657	102,104	131,126	81,405	-0-	212,531
Temporary help	-0-	205,000	-0-	205,000	-0-	-0-	205,000
Lease	9,549	-0-	60,778	70,327	18,729	-0-	89,056
Supplies	11,339	7,187	51,321	69,847	18,578	-0-	88,425
Payroll taxes	18,748	1,510	36,262	56,520	30,018	-0-	86,538
Insurance	5,149	675	22,332	28,156	40,825	-0-	68,981
Travel	1,255	18,949	1,727	21,931	1,504	-0-	23,435
Dues & subscriptions	-0-	39	13,353	13,392	7,379	-0-	20,771
Utilities	2,362	-0-	5,120	7,482	10,682	-0-	18,164
Depreciation and amortization	17,199	-0-	-0-	17,199	-0-	-0-	17,199
Taxes and licenses	1,737	-0-	11,102	12,839	2,945	-0-	15,784
Community relations	345	188	1,572	2,105	4,477	8,250	14,832
Employee training	1,039	-0-	5,460	6,499	2,880	-0-	9,379
In-kind	-0-	5,530	-0-	5,530	-0-	-0-	5,530
Other expense	273	42	2,555	2,870	2,604	-0-	5,474
Advertising	-0-	-0-	3,889	3,889	-0-	-0-	3,889
Postage	81	-0-	1,399	1,480	1,677	-0-	3,157
Maintenance	819	-0-	1,793	2,612	347	-0-	2,959
Interest	87	-0-	236	323	638	-0-	961
Security	66	-0-	501	567	43	-0-	610
	<u>\$ 753,391</u>	<u>\$340,210</u>	<u>\$2,998,429</u>	<u>\$4,092,030</u>	<u>\$ 693,022</u>	<u>\$ 8,250</u>	<u>\$4,793,302</u>
	<u>\$ 753,391</u>	<u>\$340,210</u>	<u>\$2,998,429</u>	<u>\$4,092,030</u>	<u>\$ 693,022</u>	<u>\$ 8,250</u>	<u>\$ 4,763,298</u>

See Accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE FINANCIAL  
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019**

	Controlling Interest			Noncontrolling Interest	Total
	Without Donor Restrictions	With Donor Restrictions	Total		
Balance, January 1, 2019	\$ (344,927)	\$ 725,000	\$380,073	\$ 19,811,365	\$20,191,438
Decrease in net assets	<u>(138,353)</u>	<u>-0-</u>	<u>(138,353)</u>	<u>(878,414)</u>	<u>(1,016,767)</u>
Balance, December 31, 2019	(483,280)	725,000	241,720	18,932,951	19,174,671
Increase (decrease) in net assets	<u>119,754</u>	<u>-0-</u>	<u>119,754</u>	<u>(847,435)</u>	<u>(727,681)</u>
Balance, December 31, 2020	<u><u>\$ (363,526)</u></u>	<u><u>\$ 725,000</u></u>	<u><u>\$361,474</u></u>	<u><u>\$ 18,085,516</u></u>	<u><u>\$18,446,990</u></u>

See Accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE FINANCIAL  
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flow from operating activities:</b>		
Increase (decrease) in net assets	\$ 119,754	\$ (138,353)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,145,855	1,141,579
Interest - debt issuance costs	24,857	24,857
Loan forgiveness	-0-	(42,262)
Paycheck Protection Program (PPP) loan forgiveness	(237,729)	-0-
Loss attributable to noncontrolling interests	(847,435)	(878,414)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(261,519)	232,794
(Increase) decrease in other assets	46,190	(42,827)
Increase in accounts payable	147,669	1,541
Increase (decrease) in other current liabilities	83,621	(3,311)
Increase (decrease) in other long-term liabilities	(83,584)	31,717
<b>Net cash provided by operating activities</b>	<u>137,679</u>	<u>327,321</u>
<b>Cash flow from investing activities:</b>		
Capital expenditures	(14,153)	(100,539)
<b>Net cash used in investing activities</b>	<u>(14,153)</u>	<u>(100,539)</u>
<b>Cash flow from financing activities:</b>		
Notes receivable	(120,655)	-0-
Net borrowings on line of credit	75,000	-0-
Net developer fee payments	(16,033)	(50,418)
Borrowings on long-term debt	-0-	14,500
Borrowing on PPP loan	237,729	-0-
Repayments on long-term debt	(126,417)	(131,217)
<b>Net cash provided by (used in) financing activities</b>	<u>49,624</u>	<u>(167,135)</u>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	173,150	59,647
<b>Cash, cash equivalents, and restricted cash, beginning of year</b>	<u>1,711,907</u>	<u>1,652,260</u>
<b>Cash, cash equivalents, and restricted cash, end of year</b>	<u><u>\$1,885,057</u></u>	<u><u>\$1,711,907</u></u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	<u><u>\$ 333,885</u></u>	<u><u>\$ 355,841</u></u>

See Accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE FINANCIAL  
INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

NATURE OF ACTIVITIES

Community Action of Greater Indianapolis, Inc. (CAGI), a not-for-profit organization, exists to empower those served to become self-reliant and self-sufficient. Programs include children's services, economic enhancement initiatives, emergency assistance services and housing assistance and improvements. The consolidated operations also include CAGI Housing, Inc. (Housing), Franklin School Apartments, L.P. (FSA), CAGI 21<sup>st</sup> Street, LLC (CAGI 21<sup>st</sup> Street), CAGI 21<sup>st</sup> Street II, LLC (CAGI 21<sup>st</sup> Street II), Commons at Spring Mill, LLC (CAGI Commons), CAGI Beech Grove, LLC (CAGI Beech Grove), 21<sup>st</sup> Street Seniors, L.P. (21<sup>st</sup> Street Seniors), 21<sup>st</sup> Street Seniors II, L.P. (21<sup>st</sup> Street Seniors II), Commons at Spring Mill, L.P. (Commons at Spring Mill) and Beech Grove Senior, LLC (Beech Grove Senior). See Notes 4 and 5.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of CAGI, Housing, FSA, CAGI 21<sup>st</sup> Street, CAGI 21<sup>st</sup> Street II, CAGI Commons, CAGI Beech Grove, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior (collectively, the Organization or Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.). All significant intercompany transactions and balances have been eliminated in consolidation.

FINANCIAL STATEMENT PRESENTATION

The financial statements are in conformity with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. This statement established standards for external financial reporting for not-for-profit organizations.

ASC 958 primarily affects the display of financial statements and requires that the amounts for each of two classes of net assets – net assets with donor restrictions and net assets without donor restrictions – be displayed in an aggregate statement of financial position and the amounts of change in each of those classes be displayed in a statement of changes in net assets. The two-part net asset accounts used include the following:

*Net Assets Without Donor Restrictions* – Funds that have not been restricted in any manner by the donors are referred to as net assets without donor restrictions and are available for general Organization purposes. At December 31, 2020 and 2019, the Organization had net assets (deficiency) without donor restrictions of (\$363,526) and (\$483,280), respectively.

*Net Assets With Donor Restrictions* – Funds received from donors or grantors who have specified as to the use of their gifts or grants for specific purposes. Net assets with donor restrictions are subject to donor-imposed restrictions that will be met by future obligations or are to be invested and maintained intact in perpetuity. At December 31, 2020 and 2019, the Organization had net assets with donor restrictions of \$725,000 and \$725,000, respectively.

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
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The Organization reports its activities in the following expense categories: program services, general and administrative expenses, and other multifamily housing expenses, which consist of all other nonprogram expenses. Program services include Energy and Weatherization, which provides low-income area residents financial assistance with energy costs; Children and Youth, which includes the Foster Grandparent Program; and Housing and Welfare, which helps fund various basic repairs to eligible homes. Expenses that are common to these two categories are allocated based upon management's estimate. For example, salaries and wages expense is allocated based on management's estimate of employee time spent on program services and general and administrative activities. Housing, FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior do not report information in this manner, as they are for-profit enterprises and are not program-driven. Accordingly, all expenses for Housing, FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior are included in other multifamily housing expenses.

CAGI reports information regarding its financial position and activities in accordance with ASC 958. Housing, FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior do not report their information in such categories, as they are for-profit enterprises.

Net assets without donor restrictions include resources which are not subject to donor-imposed restrictions and those resources for which donor-imposed restrictions have been satisfied. Donor-restricted contributions and grants whose restrictions were met in the same year are reported as without donor restrictions. Net assets with donor restrictions include assets of CAGI related to contributions with explicit donor-imposed restrictions that may or will be met either by action of CAGI and/or the passage of time, and assets subject to donor-imposed stipulations that are to be maintained permanently by CAGI.

Revenue and support are reported as increases in the appropriate category of net assets for CAGI. Expenses are reported as decreases in net assets without donor restrictions for CAGI. Gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

**BASIS OF ACCOUNTING**

The consolidated financial statements for CAGI are prepared in conformity with the basis of accounting prescribed or permitted by the federal grantors, as listed in the schedule of expenditures of federal awards. This basis of accounting differs from accounting principles generally accepted in the United States of America, however this difference is immaterial. Except as described in the following paragraphs, CAGI, Housing, FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior's financial statements are prepared using the accrual basis of accounting whereby revenues and assets are recorded when earned and expenses and liabilities are recorded when incurred.

**ACCOUNTS RECEIVABLE**

Accounts receivable consists primarily of amounts due from claims submitted by CAGI against federal, state and local grants. The federal government of the United States and the State of Indiana, combined to account for approximately 79% and 94% of the accounts receivable of CAGI at December 31, 2020 and 2019, respectively. Based upon prior history and management's assessment of collectability, no allowance has been deemed necessary for accounts receivable.



**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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Management has determined that operating advances to and interest earned from certain related parties are to be reserved. All amounts related to operating advances to and interest earned from these related parties have been eliminated in the consolidated statement of financial position and consolidated statement of activities as of and for the years ended December 31, 2020 and 2019.

NOTES RECEIVABLE

Notes receivable consists of amounts due from an unrelated party for the purchase of three homes that the Organization decided to sell as part of the transitional housing program. The homes were sold on contract and will be paid off over three years. At December 31, 2020 and 2019, amounts due on these notes were \$120,655 and \$-0-, respectively.

INVENTORY

Materials and supplies are charged to expense during the period of purchase. As a result, no inventory is recognized for these items in the accompanying consolidated financial statements.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and capitalized in accordance with generally accepted accounting principles. Estimated useful lives range from 5-40 years using the straight-line method.

Assets obtained with federal funds are considered to be owned by CAGI while used in the program. Funding agencies obtain a reversionary interest in any proceeds from the sale of equipment when the original acquisition was paid with federal or state grant funds. The use of assets purchased with federal funds is limited to the purposes intended by the funding source.

Property and equipment received by CAGI without donor-imposed restrictions is classified as unrestricted net assets. Depreciation expense for CAGI for the years ended December 31, 2020 and 2019, was \$17,199 and \$14,332, respectively.

FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior record building and improvements at the initial purchase price plus the cost of the renovation. Construction period interest and certain holding costs have been capitalized. The buildings, site improvements, and personal property are depreciated using the straight-line method over lives of 40 to 50 years, 15 to 20 years, and 5 to 10 years, respectively. Depreciation expense totaled \$1,114,206 and \$1,127,130 for the years ended December 31, 2020 and 2019, respectively, and is recorded in other multifamily housing expenses on the consolidated statement of activities. Repair and maintenance costs are expensed as incurred.

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LONG-LIVED ASSETS

The Organization reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Any long-lived assets held for sale are reported at the lower of their carrying amounts or fair value less the estimated cost to sell. Recoverability for FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property.

GRANTS AND OTHER REVENUE

Grants- CAGI recognizes revenues from cost-reimbursement grants in the period in which the related expenses are incurred. Reimbursements requested for grant funds under cost-reimbursement programs prior to related expenses being incurred are recognized as deferred revenue. Grants that are not cost-reimbursement are recognized when earned.

Contributions- unrestricted contributions are recognized as revenue in the period received or at the time a claim for the actual cost of providing services is determined and reported in the statements of activities.

Development fees- revenue for services provided in the development of low-income housing tax credit projects are deferred until collected.

RENTAL INCOME

Rental income for Housing, FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior are recognized when earned.

INCOME TAXES

CAGI is a not-for-profit organization incorporated under the laws of the State of Indiana and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

CAGI files income tax returns in the U.S. federal jurisdiction and one state. CAGI is no longer subject to U.S. federal or state income tax examinations by tax authorities for the years prior to 2017. Such tax examinations could include questioning CAGI's tax exempt status and compliance with federal, state, and local tax laws. As of and for the year ended December 31, 2020, tax authorities have not proposed any adjustments that would result in a material change to CAGI's consolidated financial position. No tax-related interest or penalties have been recorded in these consolidated financial statements. GAAP requires an entity to recognize the financial statement impact of a tax benefit position when it is more likely than not that the position will be sustained upon examination. CAGI does not believe it is taking any uncertain tax benefit positions.

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CAGI Housing, a C corporation, accounts for income taxes in accordance with FASB ASC Topic 740, *Income Taxes* (Topic 740), as required. Topic 740 provides for current and deferred tax liabilities and assets utilizing an asset and liability approach. No current or deferred taxes were recorded at December 31, 2020 and 2019.

FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, and Commons at Spring Mill are organized as limited liability partnerships and Beech Grove Senior is organized as a limited liability company under the Internal Revenue Code. Income, gains, losses and credits are recognized by individual partners and members. Accordingly, no provision for federal and state taxes on revenue and net income has been recognized in the accompanying consolidated financial statements.

ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses including asset impairment losses. Actual results could differ from those estimates. Significant estimates used in preparation of these financial statements include depreciation, amortization, and allocation of functional expenses.

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

ADVERTISING COSTS

The Organization incurs advertising costs in the normal course of business, which are expensed as incurred. Advertising costs totaled \$10,792 and \$21,105 during the years ended December 31, 2020 and 2019, respectively, and are recorded in general and administrative expenses, program services expense, and in other multifamily housing expenses on the consolidated statement of activities.

ACCOUNTING STANDARD NOT YET ADOPTED

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This new standard, which the Organization is not required to adopt until their year ending 2022, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their balance sheet the assets and liabilities for the rights and obligations created by those leases and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's balance sheet.

The Organization is presently evaluating the effect that this ASU will have on the future financial statements, including related disclosures.

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**2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets available for general expenditures within one year of the statement of financial position date include cash and cash equivalents and accounts receivable. The Organization also has a committed line of credit of \$250,000, which it could draw upon in the event of an unanticipated liquidity need.

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. In addition, the Organization maintains reserves to be used for certain expenditures as follows:

- Reserve for replacement to fund future maintenance and repair costs, including improvements
- Tax escrows to fund future property tax expense.
- Insurance escrows to fund future insurance expense for liability, MIP, or other insurance as needed.

The Corporation's financial assets available for general expenditures within one year of the statement of financial position date include the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 473,758	\$ 325,591
Accounts receivable	347,272	206,408
Restricted deposits and funded reserves	<u>1,411,299</u>	<u>1,386,316</u>
Total financial assets	2,232,329	1,918,315
Less amounts unavailable for general expenditures within one year due to:		
Restricted for certain uses	<u>(1,411,299)</u>	<u>(1,386,316)</u>
Total financial assets available to management for general expenditures within one year	<u><u>\$ 821,030</u></u>	<u><u>\$ 531,999</u></u>

**3. RESTRICTED CASH**

Under various agreements related to the subsidiaries, certain cash accounts are restricted in their use as defined below and are included in restricted deposits and funded reserves on the consolidated statement of financial position:

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TENANT SECURITY DEPOSITS

The Subsidiaries maintain separate security deposit cash accounts for holding tenant deposits and refunding tenants at move out. At December 31, 2020 and 2019, the security deposit cash balance was \$59,249 and \$55,184, respectively.

REPLACEMENT RESERVES

The Subsidiaries maintain separate replacement reserve accounts that have monthly funding requirements. Disbursements from such funds may be made only for the purpose of effecting replacement of structural elements and mechanical equipment of the Subsidiaries after receiving prior written consent of HUD or the lender holding the reserve. At December 31, 2020 and 2019, these funds amounted to \$489,506 and \$447,812, respectively.

OTHER RESERVES

The Subsidiaries maintain separate other reserve accounts that have been funded from the owners and require approval for withdrawals based on purpose and timing. At December 31, 2020 and 2019, these funds amounted to \$622,927 and \$622,076, respectively.

ESCROWS

The Subsidiaries maintain separate escrow accounts that require monthly funding related to insurance and taxes. Withdrawals from these accounts are used for insurance premiums and property taxes. At December 31, 2020 and 2019, these funds amounted to \$239,617 and \$261,244, respectively.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same such amount shown in the statement of cash flows:

<u>Balance at December 31,</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 473,758	\$ 325,591
Restricted deposits and funded reserves	<u>1,411,299</u>	<u>1,386,316</u>
Total cash, cash equivalents, and restricted cash shown on the statement of cash flows	<u>\$ 1,885,057</u>	<u>\$ 1,711,907</u>

**4. SUBSIDIARIES**

WHOLLY OWNED SUBSIDIARIES

Housing is a wholly owned subsidiary of CAGI. CAGI 21<sup>st</sup> Street, CAGI 21<sup>st</sup> Street II, CAGI Commons and CAGI Beech Grove are wholly owned by Housing. Housing is also the general partner and limited partner of FSA. Housing facilitated in the development and operations of FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill and Beech Grove Senior affordable housing developments. Housing, CAGI 21<sup>st</sup> Street, CAGI 21<sup>st</sup> Street II, CAGI Commons and CAGI Beech Grove had no activity during 2020.

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FSA was formed in 2001 for the purpose of constructing 48 housing units in Indianapolis, Indiana, known as Franklin School Apartments. FSA, which operates under Section 207 pursuant to 223(f) of the National Housing Act, as amended, entered into the standard Federal Housing Administration (FHA) regulatory agreement governing the operation of the Project with the FHA Section of U.S. Department of Housing and Urban Development (HUD). The general partner is Housing. The limited partner is CAGI.

LOW INCOME HOUSING TAX CREDIT (LIHTC) SUBSIDIARIES

CAGI's consolidated financial statements include the activity of 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior (collectively, the LIHTCs), which are all affordable housing developments formed to operate in compliance with Section 42 of the Internal Revenue Code of 1986. CAGI has made various guarantees related to the financing, management, performance, maintenance and operation of the LIHTCs and certain creditors of these entities may have recourse to CAGI's assets. Also, CAGI has the power to direct the activities that significantly impact the economic performance of these entities including management oversight and strategic decision making. Should the LIHTCs require additional support in the future, it is expected that CAGI would provide it due to the guarantees provided. The related partnership agreements and operating agreements provide for the sale of these multifamily apartment complexes to third parties at the administrative and/or limited partner's/member's option, after completion of the compliance period (defined as 15 taxable years beginning with the first taxable year). The agreements also give CAGI the right of first refusal to acquire the administrative and limited investor partners'/members' interest at the end of the compliance period for a sum equal to the minimum purchase price as defined in the agreements. Furthermore, in the event of noncompliance, CAGI could be required to return the limited partners'/members' contributions or to purchase the limited partners'/members' interests in accordance with the terms of the agreements.

**5. RELATED PARTIES**

OPERATING ADVANCES

CAGI makes periodic advances to certain subsidiaries to cover operating expenses. During the years ended December 31, 2020 and 2019, there were no reimbursed amounts to CAGI from these subsidiaries for prior year advances. All advances for operating expenses have been eliminated in the consolidated statement of financial position.

NOTES RECEIVABLE AND INTEREST INCOME

At December 31, 2020 and 2019, CAGI had advanced notes receivable to FSA with the following long-term obligations:

- HOME Investment Partnership Program Grant in the amount of \$700,000. The grant is to be repaid to CAGI on the earlier of December 31, 2033 or on the date of sale of the multifamily apartment complex. This note bears interest at the rate of 4.9% per annum. The note is secured by a third mortgage on the multifamily apartment complex.
- CDBG Grant in the amount of \$25,000. This note is to be repaid to CAGI on December 31, 2032. The note bears interest at the rate of 5.69% per annum. The note is secured by a fourth mortgage on the multifamily apartment complex.

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During the years ended December 31, 2020 and 2019, CAGI earned interest income in the amounts of \$35,723 and \$35,723, respectively, related to notes receivable from FSA. At December 31, 2020 and 2019, total interest due on these related-party notes receivable was \$612,107 and \$576,384, respectively. These amounts are not included in the consolidated statement of financial position or consolidated statement of activities as of and for the years ended December 31, 2020 and 2019, as these amounts have been offset by an allowance for the same amount or eliminated from the consolidated financial statements.

DEVELOPER FEES

CAGI receives periodic payments from related parties for developer fees. During the years ended December 31, 2020 and 2019, \$16,035 and \$50,418 were received from related parties. All payments for developer fees have been eliminated in the consolidated statement of activities.

OTHER RELATED PARTIES

The Organization has an affiliation with CAAP Housing, Inc., a not-for-profit corporation that shares the same board of directors as CAGI. From time to time, the Organization purchases and provides contracted services on behalf of CAAP Housing, Inc. There were no revenues or expenses related to these activities for the years ended December 31, 2020 and 2019. There was no amount due from CAAP Housing, Inc. at December 31, 2020 and 2019.

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**6. PROPERTY AND EQUIPMENT**

As of December 31, 2020 and 2019, property and equipment for FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior consist of the following:

	Community Action of Greater Indianapolis, Inc. and Subsidiary	Franklin School Apartments, L.P.	21st Street Seniors, L.P.	21st Street Seniors II, L.P.	Commons at Spring Mill L.P.	Beech Grove Senior, LLC	Consolidating Entries	Consolidated
<b><u>2020</u></b>								
Land and land improvements	\$ -0-	\$ 50,000	\$ 1,767,555	\$ 1,389,208	\$ 2,816,100	\$ 95,666	\$ -0-	\$ 6,118,529
Property and equipment	85,993	3,054,626	5,427,406	7,075,021	6,179,126	8,377,154	(1,469,081)	28,730,245
	85,993	3,104,626	7,194,961	8,464,229	8,995,226	8,472,820	(1,469,081)	34,848,774
Accumulated depreciation	(31,531)	(1,518,542)	(3,437,904)	(2,571,426)	(2,335,044)	(2,116,704)	-0-	(12,011,151)
	<u>\$ 54,462</u>	<u>\$ 1,586,084</u>	<u>\$ 3,757,057</u>	<u>\$ 5,892,803</u>	<u>\$ 6,660,182</u>	<u>\$ 6,356,116</u>	<u>\$ (1,469,081)</u>	<u>\$ 22,837,623</u>
<b><u>2019</u></b>								
Land and land improvements	\$ -0-	\$ 111,691	\$ 1,767,555	\$ 1,389,208	\$ 2,816,100	\$ 1,336,687	\$ -0-	\$ 7,421,241
Property and equipment	85,993	2,992,935	5,427,406	7,075,021	6,170,174	7,130,932	(1,469,081)	27,413,380
	85,993	3,104,626	7,194,961	8,464,229	8,986,274	8,467,619	(1,469,081)	34,834,621
Accumulated depreciation	(14,332)	(1,454,772)	(3,241,909)	(2,399,586)	(2,062,365)	(1,706,782)	-0-	(10,879,746)
	<u>\$ 71,661</u>	<u>\$ 1,649,854</u>	<u>\$ 3,953,052</u>	<u>\$ 6,064,643</u>	<u>\$ 6,923,909</u>	<u>\$ 6,760,837</u>	<u>\$ (1,469,081)</u>	<u>\$ 23,954,875</u>



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**7. LONG-TERM DEBT**

	2020	2019
Mortgage payable, bank, in monthly installments of \$3,499, including interest at 3.40% per annum. Due January 2051. Secured by a mortgage on certain FSA real estate.	790,141	804,984
Mortgage payable, The Community Development Trust, L.P., in monthly installments of \$7,890 including interest at 9.48%, with remaining balance due October 2029. Note includes a prepayment penalty and is secured by a mortgage on certain 21st Street Seniors II real estate and assignment of rents and leases. Guaranteed by CAGI 21st Street.	859,103	871,672
Mortgage payable, bank, in monthly installments of \$7,805, including interest at 6.48% per annum. Due June 30, 2028. Secured by the mortgage and security interest on Commons at Spring Mill and all property and equipment and an assignment of any rents or income to be derived from the project.	1,100,298	1,120,733
Note payable, Indiana Housing and Community Development Authority. Commencing August 31, 2011 and continuing each year until maturity, the outstanding principal balance of the loan is to be reduced annually by one-fifteenth of the original \$633,935 principal balance of the loan at 21st Street Seniors II.	253,575	253,575
Mortgage payable, bank, in monthly installments of \$10,121, including interest at 7.48% per annum. Due February 2026. Secured by a mortgage on certain 21st Street Seniors real estate.	1,172,306	1,204,744
Note payable, Indiana Housing and Community Development Authority. Interest-only payments due monthly at 1.375% per annum through the lesser of 24 months or the conversion date of the note. Commencing on the first day of the 12th month following the conversion date, the note is due in quarterly principal and interest installments of \$8,620 with remaining balance due the first day of the 181st calendar month after the conversion date. Secured by personal property and a mortgage on certain property on Commons at Spring Mill real estate.	666,324	691,428
Mortgage payable, bank, interest at 5.65% per annum, due June 2032, secured by mortgage on certain Beech Grove Senior real estate.	664,613	675,203
Note payable, Indiana Housing and Community Development Authority, maximum borrowing of \$400,000, annual payments of \$23,132 commencing 12 months after conversion to term loan including interest at 4%, secured by mortgage on certain Beech Grove Senior real estate.	369,763	377,784
Note payable, Corporation for National and Community Service, due in quarterly installments of \$1,208. No interest charged if all payments are timely, otherwise interest will accrue at 1% per annum. Due December 2021.	6,042	8,459
	5,882,165	6,008,582
Less current portion	(136,709)	(127,154)
Less unamortized debt issuance costs	(294,248)	(319,105)
Long-term portion	<u>\$5,451,208</u>	<u>\$5,562,323</u>

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Scheduled minimum annual principal repayments of long-term debt in each of the next five years are as follows:

Year ending December 31,

2021	136,709
2022	138,087
2023	146,410
2024	154,815
2025	164,212
Thereafter	<u>5,141,932</u>
	<u><u>\$ 5,882,165</u></u>

DEBT ISSUANCE COSTS

Financing costs incurred in connection with obtaining financing are being amortized over the lives of the respective financing agreements using the straight-line method. Amortization expense was \$24,857 and \$24,857 for the years ended December 31, 2020 and 2019, respectively, and is recorded in other multifamily housing expenses on the consolidated statement of activities.

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

Year ending December 31,

2021	24,857
2022	24,857
2023	24,857
2024	24,857
2025	24,857
Thereafter	<u>169,963</u>
	<u><u>\$ 294,248</u></u>

**8. CONCENTRATIONS**

FUNDING

CAGI is substantially funded by grants awarded by the federal government. The majority of the agreements contain provisions which permit the arrangements to be terminated or the funds provided to be reduced if the unit of government does not appropriate an adequate amount of funds to maintain the current funding levels. Any deferred revenue or excess funds on hand under cost reimbursement grants at the termination date would be subject to refund if such funds exceeded the accrued expenditures allowable under the grants and contracts at that date.

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In the normal course of operations, CAGI receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. In the opinion of management, the audits will not result in a material liability to CAGI.

During the years ended December 31, 2020 and 2019, 93% and 96%, respectively, of CAGI's grant revenue was passed through from the Indiana Housing and Community Development Authority.

CREDIT RISK

CAGI, FSA, 21<sup>st</sup> Street Seniors, 21<sup>st</sup> Street Seniors II, Commons at Spring Mill, and Beech Grove Senior maintain substantially all temporary cash investments at high credit quality financial institutions. From time to time, such balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**9. LINE OF CREDIT**

CAGI obtained a line of credit with a bank with maximum availability in the amount of \$250,000. Interest is payable at a minimum rate of 5.0%. The line of credit agreement expires September 15, 2022. The line is secured by substantially all assets of CAGI. The line of credit had outstanding borrowings of \$75,000 and \$-0- at December 31, 2020 and 2019, respectively.

**10. LEASE COMMITMENT**

CAGI leases office space at a building in Marion County as their primary location. This lease was originally signed in 2011. Addendums were signed in 2012 and 2014 due to changes in the amount of space being leased. The monthly lease payments at December 31, 2020 were \$14,924 with future lease payments adjusted through October 2021. CAGI also leases office space in a surrounding county. This lease requires monthly payments of \$1,450 and was renewed subsequent to year-end. CAGI leases office equipment with monthly payments ranging from \$167 to \$6,822, which expire at various dates through January 2024. Lease and occupancy expense related to the above leases totaled \$303,756 and \$302,079 for the years ended December 31, 2020 and 2019, respectively.

The minimum lease commitments for the above leases are as follows:

Year ending December 31,

2021	\$ 233,892
2022	81,864
2023	<u>81,864</u>
	<u><u>\$ 397,620</u></u>

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**11. DEFERRED COSTS**

Deferred costs represent low-income housing tax credit monitoring costs that are being amortized over their estimated useful lives of 15 to 18 years. Amortization expense for the years ended December 31, 2020 and 2019 totaled \$14,450 and \$14,449, respectively, and is recorded in other multifamily housing expenses on the consolidated statement of activities.

The following represents deferred costs and related accumulated amortization as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
<u>Description</u>		
Low-income housing tax credit monitoring costs	\$ 216,740	\$ 216,740
Accumulated amortization	<u>(134,371)</u>	<u>(119,921)</u>
Total deferred costs, net	<u>\$ 82,369</u>	<u>\$ 96,819</u>

**12. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions include assets of CAGI related to contributions with explicit donor-imposed restrictions that may or will be met either by action of CAGI and/or the passage of time. Net assets with donor restrictions as of December 31, 2020 and 2019 were received from the following:

	<u>2020</u>	<u>2019</u>
HOME Investment Partnership Program Funds	\$ 700,000	\$ 700,000
Community Development Block Grant Funds	<u>25,000</u>	<u>25,000</u>
	<u>\$ 725,000</u>	<u>\$ 725,000</u>

**13. COMMITMENTS AND CONTINGENCIES**

CAGI is a party to action and claims arising in the ordinary course of business. In the opinion of management and legal counsel, the claims and actions can be resolved in a manner which will not result in a material liability to CAGI.

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**14. CORONAVIRUS PANDEMIC**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. The operations and business results of the Organization could be materially adversely affected. The extent to which the coronavirus (or any other disease or epidemic) may impact the Organization will depend on future developments. These future developments are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

As a result of the pandemic, the Organization received a Paycheck Protection Program (PPP) loan of \$237,729. Subsequent to year end, the Organization met all the required obligations during the PPP forgiveness period, and the loan was forgiven under the CARES ACT. The income has been recognized in the current year and is included in other revenues on the consolidated statement of activities for the year ended December 31, 2020.

**15. SUBSEQUENT EVENTS**

In accordance with FASB ASC Topic 855, *Subsequent Events*, the Organization has evaluated subsequent events through August 9, 2021, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure in the financial statements.

## **SUPPLEMENTARY INFORMATION**

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Expenditures
<b>Department of Health and Human Services:</b>		
Passed through Indiana Housing and Community Development Authority:		
Community Services Block Grant	93.569	\$ 1,518,331
Low Income Home Energy Assistance - Weatherization	93.568	<u>528,114</u>
Total Department of Health and Human Services		2,046,445
<b>Department of Energy:</b>		
Passed through Indiana Housing and Community Development Authority:		
Weatherization Assistance for Low-income Persons	81.042	160,684
<b>Department of Housing and Urban Development:</b>		
Passed through Indiana Housing and Community Development Authority:		
Section 8 Housing Choice Vouchers	14.871	1,830,647
<b>Corporation for National and Community Service:</b>		
Direct Program:		
Foster Grandparents Program	94.011	<u>229,815</u>
<b>Total federal awards expended</b>		<u><u>\$ 4,267,591</u></u>

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
AND SUBSIDIARIES, ET AL.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED DECEMBER 31, 2020**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the federal award expenditures disbursed by Community Action of Greater Indianapolis, Inc. received from the federal government for the year ended December 31, 2020.

For the purpose of the Schedule, federal awards include pass-through funds from grants and contracts entered into directly between CAGI and state or local agencies and departments of the federal government. Expenditures for these federal pass-through programs, as well as nonpass-through programs, are recognized on the accrual basis of accounting.

EQUIPMENT

Property and equipment are recorded at cost and capitalized in accordance with generally accepted accounting principles. Estimated useful lives range from 5-40 years using the straight-line method.

Assets obtained with federal funds are considered to be owned by CAGI while used in the program. Funding agencies obtain a reversionary interest in any proceeds from the sale of equipment when the original acquisition was paid with federal or state grant funds. The use of assets purchased with federal funds is limited to the purposes intended by the funding source.

INVENTORY

Materials and supplies are charged to expense during the period of purchase. As a result, no inventory is recognized for these items in the accompanying financial statements.

DE MINIMIS COST RATE

CAGI does not utilize the 10% de minimis cost rate because the guidance under Part 200.414 *Indirect Costs* does not apply.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARD EXPENDITURES**

Expenditures consist of direct and indirect costs. Direct costs are those that can be readily identified with an individual federally sponsored program. Benefit payments made on behalf of an eligible recipient and the materials consumed by the program are examples of direct costs.

Unlike direct costs, indirect costs cannot be readily identified with an individually sponsored project. Indirect costs are the costs of services and resources that benefit many projects as well as nonsponsored projects and activities. Indirect costs primarily consist of expenses incurred for administration, payroll taxes and fringe benefits.

**3. MANAGEMENT'S USE OF ESTIMATES**

The above basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities reported in the schedule of expenditures of federal awards. Actual results could differ from those estimates.



# COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC. AND SUBSIDIARIES, ET AL.

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

	Community Action of Greater Indianapolis, Inc.	CAGI Housing, Inc. and Subsidiary	Franklin School Apartments, L.P.	21st Street Seniors, L.P.	21st Street Seniors II, L.P.	Commons at Spring Mill, L.P.	Beech Grove Senior LLC	Eliminating Entries	Consolidated
<b>ASSETS</b>									
<b>Current assets:</b>									
Cash and cash equivalents	\$ 240,492	\$ -0-	\$ 10,324	\$ 22,981	\$ 71,923	\$ 90,557	\$ 37,481	\$ -0-	\$ 473,758
Accounts receivable	450,192	-0-	10,288	109	848	6,719	4	(233)	467,927
Current portion of notes receivable	5,722	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,722
Other assets	-0-	171	9,093	19,757	-0-	11,577	2,572	(171)	42,999
<b>Total current assets</b>	<b>696,406</b>	<b>171</b>	<b>29,705</b>	<b>42,847</b>	<b>72,771</b>	<b>108,853</b>	<b>40,057</b>	<b>(404)</b>	<b>990,406</b>
<b>Property and equipment:</b>									
Land and land improvements	-0-	-0-	50,000	1,767,555	1,389,208	2,816,100	95,666	-0-	6,118,529
Property and equipment	85,993	-0-	3,054,626	5,427,406	7,075,021	6,179,126	8,377,154	(1,469,081)	28,730,245
<b>Accumulated depreciation</b>	<b>85,993</b>	<b>-0-</b>	<b>3,104,626</b>	<b>7,194,961</b>	<b>8,464,229</b>	<b>8,995,226</b>	<b>8,472,820</b>	<b>(1,469,081)</b>	<b>34,848,774</b>
	<b>(31,531)</b>	<b>-0-</b>	<b>(1,518,542)</b>	<b>(3,437,904)</b>	<b>(2,571,426)</b>	<b>(2,335,044)</b>	<b>(2,116,704)</b>	<b>-0-</b>	<b>(12,011,151)</b>
<b>Net property and equipment</b>	<b>54,462</b>	<b>-0-</b>	<b>1,586,084</b>	<b>3,757,057</b>	<b>5,892,803</b>	<b>6,660,182</b>	<b>6,356,116</b>	<b>(1,469,081)</b>	<b>22,837,623</b>
<b>Other assets:</b>									
Notes receivable, related party	725,000	-0-	-0-	-0-	-0-	-0-	-0-	(725,000)	-0-
Other receivable, related party	809,119	-0-	-0-	-0-	-0-	-0-	-0-	(809,119)	-0-
Restricted deposits and funded reserves	-0-	-0-	123,915	218,887	368,305	380,263	319,929	-0-	1,411,299
Other deposits	11,400	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,400
Notes receivable, net of current portion	114,933	-0-	-0-	-0-	-0-	-0-	-0-	-0-	114,933
Deferred cost, net of accumulated amortization	-0-	-0-	-0-	1,943	17,107	23,183	40,136	-0-	82,369
<b>Total other assets</b>	<b>1,660,452</b>	<b>-0-</b>	<b>123,915</b>	<b>220,830</b>	<b>385,412</b>	<b>403,446</b>	<b>360,065</b>	<b>(1,534,119)</b>	<b>1,620,001</b>
<b>Total assets</b>	<b>\$ 2,411,320</b>	<b>\$ 171</b>	<b>\$ 1,739,704</b>	<b>\$ 4,020,734</b>	<b>\$ 6,350,986</b>	<b>\$ 7,172,481</b>	<b>\$ 6,756,238</b>	<b>\$ (3,003,604)</b>	<b>\$ 25,448,030</b>

# COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC. AND SUBSIDIARIES, ET AL.

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

	Community Action of Greater Indianapolis, Inc.	CAGI Housing, Inc. and Subsidiary	Franklin School Apartments, L.P.	21st Street Seniors, L.P.	21st Street Seniors II, L.P.	Commons at Spring Mill, L.P.	Beech Grove Senior LLC	Eliminating Entries	Consolidated
<b>LIABILITIES AND NET ASSETS</b>									
<b>Current liabilities:</b>									
Current portion of long-term debt	\$ 6,042	\$ -0-	\$ 15,323	\$ 34,948	\$ 13,832	\$ 47,581	\$ 18,983	\$ -0-	\$ 136,709
Line of credit	75,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	75,000
Accounts payable	178,650	-0-	84,141	34,282	29,983	6,931	16,473	(4,231)	346,229
Other current liabilities	50,668	-0-	321,664	70,627	68,734	118,177	207,411	(321,286)	515,995
<b>Total current liabilities</b>	<b>310,360</b>	<b>-0-</b>	<b>421,128</b>	<b>139,857</b>	<b>112,549</b>	<b>172,689</b>	<b>242,867</b>	<b>(325,517)</b>	<b>1,073,933</b>
<b>Long-term liabilities:</b>									
Other long-term liabilities	672,533	-0-	1,812,107	368,507	441,511	-0-	-0-	(2,818,759)	475,899
Long-term debt, net of current portion	-0-	-0-	714,265	1,119,572	1,047,579	1,702,700	867,092	-0-	5,451,208
<b>Total long-term liabilities</b>	<b>672,533</b>	<b>-0-</b>	<b>2,526,372</b>	<b>1,488,079</b>	<b>1,489,090</b>	<b>1,702,700</b>	<b>867,092</b>	<b>(2,818,759)</b>	<b>5,927,107</b>
<b>Total liabilities</b>	<b>982,893</b>	<b>-0-</b>	<b>2,947,500</b>	<b>1,627,936</b>	<b>1,601,639</b>	<b>1,875,389</b>	<b>1,109,959</b>	<b>(3,144,276)</b>	<b>7,001,040</b>
<b>Net assets and partners' equity:</b>									
Without donor restrictions	703,427	-0-	-0-	-0-	-0-	-0-	-0-	(1,066,953)	(363,526)
With donor restrictions	725,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	725,000
Noncontrolling interest	-0-	-0-	-0-	-0-	-0-	-0-	-0-	18,085,516	18,085,516
Common stock	-0-	171	-0-	-0-	-0-	-0-	-0-	(171)	-0-
Partners' equity	-0-	-0-	(1,207,796)	2,392,798	4,749,347	5,297,092	5,646,279	(16,877,720)	-0-
<b>Total net assets and partners' equity</b>	<b>1,428,427</b>	<b>171</b>	<b>(1,207,796)</b>	<b>2,392,798</b>	<b>4,749,347</b>	<b>5,297,092</b>	<b>5,646,279</b>	<b>140,672</b>	<b>18,446,990</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,411,320</b>	<b>\$ 171</b>	<b>\$ 1,739,704</b>	<b>\$ 4,020,734</b>	<b>\$ 6,350,986</b>	<b>\$ 7,172,481</b>	<b>\$ 6,756,238</b>	<b>\$ (3,003,604)</b>	<b>\$ 25,448,030</b>

# COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC. AND SUBSIDIARIES, ET AL.

## CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Community Action of Greater Indianapolis, Inc.	CAGI Housing Inc. and Subsidiary	Franklin School Apartments, L.P.	21st Street Seniors, L.P.	21st Street Seniors II, L.P.	Commons at Spring Mill, L.P.	Beech Grove Senior, LLC	Eliminating Entries	Consolidated
<b>Changes in unrestricted net assets:</b>									
Revenues and other support:									
Grant revenues	\$ 4,679,304	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4,679,304
Other revenues	283,583	-0-	6,669	7,703	7,567	30,297	8,483	(16,035)	328,267
Rental income	1,500	-0-	231,064	444,840	435,057	543,227	507,601	-0-	2,163,289
Interest income	2,730	-0-	295	808	133	464	305	-0-	4,735
<b>Total unrestricted revenues and other support</b>	<b>4,967,117</b>	<b>-0-</b>	<b>238,028</b>	<b>453,351</b>	<b>442,757</b>	<b>573,988</b>	<b>516,389</b>	<b>(16,035)</b>	<b>7,175,595</b>
<b>Expenses:</b>									
Program services:									
Energy and Weatherization	753,391	-0-	-0-	-0-	-0-	-0-	-0-	-0-	753,391
Children and Youth	340,210	-0-	-0-	-0-	-0-	-0-	-0-	-0-	340,210
Housing and Welfare	2,998,429	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,998,429
	4,092,030	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,092,030
Supporting services:									
General and administrative	693,022	-0-	-0-	-0-	-0-	-0-	-0-	-0-	693,022
Fundraising	8,250	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,250
<b>Total program and supporting services</b>	<b>4,793,302</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>4,793,302</b>
Other multifamily housing expenses	-0-	-0-	323,869	643,671	616,655	715,498	858,092	(47,811)	3,109,974
<b>Total expenses</b>	<b>4,793,302</b>	<b>-0-</b>	<b>323,869</b>	<b>643,671</b>	<b>616,655</b>	<b>715,498</b>	<b>858,092</b>	<b>(47,811)</b>	<b>7,903,276</b>
<b>Increase (decrease) in unrestricted net assets before noncontrolling interests</b>	<b>173,815</b>	<b>-0-</b>	<b>(85,841)</b>	<b>(190,320)</b>	<b>(173,898)</b>	<b>(141,510)</b>	<b>(341,703)</b>	<b>31,776</b>	<b>(727,681)</b>
Loss attributable to noncontrolling interests	-0-	-0-	-0-	-0-	-0-	-0-	-0-	847,435	847,435
<b>Increase (decrease) in unrestricted net assets</b>	<b>\$ 173,815</b>	<b>\$ -0-</b>	<b>\$ (85,841)</b>	<b>\$ (190,320)</b>	<b>\$ (173,898)</b>	<b>\$ (141,510)</b>	<b>\$ (341,703)</b>	<b>\$ 879,211</b>	<b>\$ 119,754</b>



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

To the Board of Directors of  
COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC. AND SUBSIDIARIES  
(an Indiana Not-For-Profit Corporation)  
Indianapolis, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al. which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated August 9, 2021. The financial statements of 21<sup>st</sup> Street Seniors, L.P., 21<sup>st</sup> Street Seniors II, L.P., Commons at Spring Mill, L.P. and Beech Grove Senior, LLC were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these entities.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.'s. financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

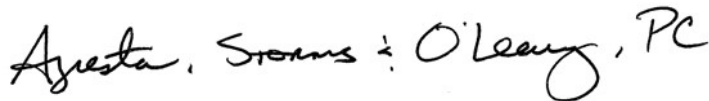
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

A handwritten signature in black ink that reads "Aresta, Strawn & O'Leary, PC". The signature is written in a cursive, flowing style.

Indianapolis, Indiana  
August 9, 2021



**Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance**

To the Board of Directors  
COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.  
(an Indiana Not-For-Profit Corporation)  
Indianapolis, Indiana

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

**Opinion on Each Major Federal Program**

We have audited Community Action of Greater Indianapolis, Inc.'s compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Action of Greater Indianapolis, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2020.

**Basis for Opinion**

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, and the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and 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 Community Action of Greater Indianapolis, Inc. and to meet our other ethical responsibilities, in accordance with the 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. Our audit does not provide a legal determination of Community Action of Greater Indianapolis, Inc.'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 Community Action of Greater Indianapolis, Inc.'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 to express an opinion on Community Action of Greater Indianapolis, Inc.'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 Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that for 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 Community Action of Greater Indianapolis, Inc.'s compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and 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 Community Action of Greater Indianapolis, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of Community Action of Greater Indianapolis Inc.'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Action of Greater Indianapolis, Inc.'s internal control. 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.

## **Report on Internal Control over Compliance**

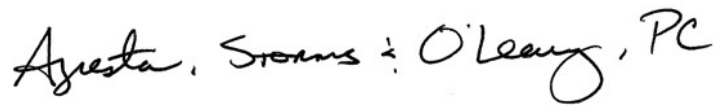
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of a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

Our consideration of internal control over compliance was for the limited purpose described in the "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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

### **Purpose of Report**

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

A handwritten signature in black ink that reads "Ayesta, Swans & O'Leary, PC". The signature is written in a cursive, flowing style.

Indianapolis, Indiana  
August 9, 2021



# COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2020

### SECTION I – SUMMARY OF AUDITORS' RESULTS

#### Financial Statements Summary

Type of auditors' report issued: Unmodified

- |   |                              |  |
|---|------------------------------|--|
| Is a 'going concern' emphasis-of-matter paragraph included in the audit report? | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |
| Is a significant deficiency disclosed?  | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |
| Is a material weakness disclosed?   | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |
| Is a material noncompliance disclosed?  | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |

#### Federal Programs Summary

Internal control over major programs:

- |  |                              |  |
|--|------------------------------|--|
| • Material weakness(es) identified?  | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |
| • Significant deficiencies identified that are not considered to be material weaknesses? | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |

Type of auditors' report issued: Unmodified

What is the dollar threshold to distinguish Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? ☒ YES ☐ NO

Were Prior Audit Findings related to direct funding shown in the Summary Schedule of Prior Audit Findings? ☐ YES ☒ NO

Indicate which Federal agencies have current year audit findings related to direct funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding.

<u>CFDA #</u>	<u>Federal Agency</u>	<u>Name of Federal Program or Cluster</u>
None		

Identification of major programs

<u>CFDA #</u>	<u>Federal Agency</u>	<u>Name of Federal Program or Cluster</u>
93.569	Department of Health and Human Services	Community Services Block Grant

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED DECEMBER 31, 2020**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**FINDINGS - SECTION II AND SECTION III COMBINED**

None Noted

**COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED DECEMBER 31, 2020**

There are no outstanding corrective actions on findings from prior audit reports.