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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019
WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2018

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

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DECEMBER 31, 2019
WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

Independent Auditors' Report

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

Report on the Financial Statements

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.), 21st Street Seniors, L.P., 21st 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, 2019, 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.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the 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, 2019, 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.

Report on Summarized Comparative Information

We have previously audited Community Action of Greater Indianapolis, Inc. and Subsidiaries, et al.'s December 31, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 28, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on 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 23 to 27 is presented for purposes of additional analysis, and is not a required part of the 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.

Report Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2020, on our consideration of Community Action of Greater Indianapolis, Inc. and Subsidiaries' 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' internal control over financial reporting and compliance.

Aresta, Storms & O'Leary, PC

Indianapolis, Indiana
August 31, 2020

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 325,591	$ 311,679
Accounts receivable	206,408	439,202
Other assets	89,589	46,762
Total current assets	621,588	797,643
Property and equipment:		
Land and land improvements	7,421,241	7,426,417
Property and equipment	27,413,380	27,307,665
	34,834,621	34,734,082
Accumulated depreciation	(10,879,746)	(9,752,616)
Net property and equipment	23,954,875	24,981,466
Other assets:		
Restricted deposits and funded reserves	1,386,316	1,340,581
Other deposits	11,000	11,000
Deferred costs, net of accumulated amortization	96,819	111,268
Total other assets	1,494,135	1,462,849
Total assets	$26,070,598	$27,241,958
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	$ 127,154	$ 117,255
Accounts payable	198,560	197,019
Other current liabilities	432,374	435,685
Total current liabilities	758,088	749,959
Long-term liabilities:		
Other long-term liabilities	575,516	594,217
Long-term debt, net of current portion	5,562,323	5,706,344
Total long-term liabilities	6,137,839	6,300,561
Total liabilities	6,895,927	7,050,520
Net assets:		
Without donor restrictions	(483,280)	(344,927)
With donor restrictions	725,000	725,000
Noncontrolling interests	18,932,951	19,811,365
Total net assets	19,174,671	20,191,438
Total liabilities and net assets	$26,070,598	$27,241,958

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, 2019 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Year Ended December 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total	Year Ended December 31, 2018
Revenues and other support:				
Grant revenues	$4,642,189	$ -0-	$4,642,189	$ 4,804,166
Other revenues	182,620	-0-	182,620	660,155
Rental income	2,078,576	-0-	2,078,576	1,974,897
Interest income	7,596	-0-	7,596	5,388
Total revenues and other support	6,910,981	-0-	6,910,981	7,444,606
Expenses:				
Program services:				
Energy and Weatherization	1,194,977	-0-	1,194,977	1,207,581
Children and Youth	460,387	-0-	460,387	472,226
Housing and Welfare	2,331,412	-0-	2,331,412	2,427,038
	3,986,776	-0-	3,986,776	4,106,845
Supporting services:				
General and administrative	747,777	-0-	747,777	682,154
Fundraising	28,745	-0-	28,745	-0-
Total program and supporting services	4,763,298	-0-	4,763,298	4,788,999
Other multifamily housing expenses	3,164,450	-0-	3,164,450	2,951,546
Total expenses	7,927,748	-0-	7,927,748	7,740,545
Decrease in net assets before noncontrolling interests	(1,016,767)	-0-	(1,016,767)	(295,939)
Add back: Loss attributable to noncontrolling interests	878,414	-0-	878,414	838,543
Increase (decrease) in net assets	$ (138,353)	$ -0-	$ (138,353)	$ 542,604

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, 2019
WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Year Ended December 31, 2019							
	Energy and Weatherization	Children and Youth	Housing and Welfare	Program Services Totals	General and Administrative	Fundraising	Total	Year Ended December 31, 2018
Advertising	$ 285	$ 3,346	$ 2,541	$ 6,172	$ 2,929	$ 6,875	$ 15,976	$ 10,114
Benefit payments	827,631	25,489	1,667,238	2,520,358	19,992	-0-	2,540,350	2,847,926
Community relations	-0-	2,856	413	3,269	8,092	20,305	31,666	11,173
Depreciation and amortization	14,332	-0-	-0-	14,332	-0-	-0-	14,332	-0-
Dues & subscriptions	379	1,866	5,426	7,671	5,760	-0-	13,431	-0-
Employee benefits	17,547	27,147	46,200	90,894	58,882	-0-	149,776	155,215
Employee training	2,165	1,760	3,268	7,193	5,358	-0-	12,551	-0-
In-kind	-0-	29,922	-0-	29,922	-0-	-0-	29,922	27,295
Insurance	8,623	7,412	11,719	27,754	36,824	-0-	64,578	43,164
Lease	12,872	9,683	42,160	64,715	15,603	-0-	80,318	90,581
Maintenance	550	-0-	-0-	550	215	-0-	765	27,482
Occupancy	45,767	14,092	73,498	133,357	88,404	-0-	221,761	219,992
Other expense	1,840	2,772	404	5,016	18,565	51	23,632	27,471
Payroll taxes	18,324	12,482	35,824	66,630	22,347	-0-	88,977	74,851
Postage	151	1,778	50	1,979	3,313	-0-	5,292	5,994
Professional fees	18,398	21,280	29,414	69,092	88,103	-0-	157,195	201,080
Salaries and wages	189,475	113,151	370,191	672,817	243,973	-0-	916,790	751,971
Security	-0-	-0-	490	490	-0-	1,493	1,983	829
Supplies	23,404	15,577	24,996	63,977	48,848	21	112,846	49,048
Taxes and licenses	3,204	1,940	5,771	10,915	4,084	-0-	14,999	3,924
Temporary help	-0-	139,939	-0-	139,939	48,864	-0-	188,803	177,722
Travel	7,410	27,775	7,084	42,269	18,767	-0-	61,036	50,496
Utilities	2,620	120	4,725	7,465	8,854	-0-	16,319	12,671
	$ 1,194,977	$460,387	$2,331,412	$3,986,776	$ 747,777	$ 28,745	$4,763,298	$ 4,788,999

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, 2019
WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Controlling Interest				
	Without Donor Restrictions	With Donor Restrictions	Total	Noncontrolling Interest	Total
Balance, January 1, 2018	$ (887,531)	$ 725,000	$(162,531)	$ 20,649,908	$20,487,377
Increase in net assets	542,604	-0-	542,604	(838,543)	(295,939)
Balance, December 31, 2018	(344,927)	725,000	380,073	19,811,365	20,191,438
Decrease in net assets	(138,353)	-0-	(138,353)	(878,414)	(1,016,767)
Balance, December 31, 2019	$ (483,280)	$ 725,000	$ 241,720	$ 18,932,951	$19,174,671

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, 2019
WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	2019	2018
Cash flow from operating activities:		
Increase (decrease) in net assets	$ (138,353)	$ 542,604
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,141,579	1,125,918
Interest - debt issuance costs	24,857	24,857
Loan forgiveness	(42,262)	(542,262)
Loss attributable to noncontrolling interests	(878,414)	(838,543)
Changes in assets and liabilities:		
Decrease in accounts receivable	232,794	38,472
(Increase) decrease in other assets	(42,827)	24,426
Increase (decrease) in accounts payable	1,541	(94,636)
Increase (decrease) in other current liabilities	(3,311)	2,456
Increase in other long-term liabilities	31,717	7,307
Net cash provided by operating activities	327,321	290,599
Cash flow from investing activities:		
Capital expenditures	(100,539)	(32,799)
Net cash used in investing activities	(100,539)	(32,799)
Cash flow from financing activities:		
Net developer fee payments	(50,418)	(50,418)
Borrowings on long-term debt	14,500	-0-
Repayments on long-term debt	(131,217)	(111,330)
Net cash used in financing activities	(167,135)	(161,748)
Net increase in cash, cash equivalents, and restricted cash	59,647	96,052
Cash, cash equivalents, **and restricted cash,** beginning of year	1,652,260	1,556,208
Cash, cash equivalents, **and restricted cash,** end of year	$1,711,907	$1,652,260
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 355,841	$ 346,026

See accompanying Notes to Consolidated Financial Statements.

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 energy assistance, 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 21st Street, LLC (CAGI 21st Street), CAGI 21st Street II, LLC (CAGI 21st Street II), Commons at Spring Mill, LLC (CAGI Commons), CAGI Beech Grove, LLC (CAGI Beech Grove), 21st Street Seniors, L.P. (21st Street Seniors), 21st Street Seniors II, L.P. (21st Street Seniors II), Commons at Spring Mill, L.P. (Commons at Spring Mill) and Beech Grove Senior, LLC (Beech Grove Senior). See Notes 3 and 4.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of CAGI, Housing, FSA, CAGI 21st Street, CAGI 21st Street II, CAGI Commons, CAGI Beech Grove, 21st Street Seniors, 21st 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, 2019 and 2018, the Organization had net assets (deficiency) without donor restrictions of ($483,280) and ($344,927), 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, 2019 and 2018, the Organization had net assets with donor restrictions of $725,000 and $725,000, respectively.

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, 21st Street Seniors, 21st 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, 21st Street Seniors, 21st 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, 21st Street Seniors, 21st 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, 21st Street Seniors, 21st Street Seniors II, Commons at Spring Mill, an 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 94% and 100% of the accounts receivable of CAGI at December 31, 2019 and 2018, respectively. Based upon prior history and management's assessment of collectability, no allowance has been deemed necessary for accounts receivable.

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, 2019 and 2018.

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, 2019 and 2018, was $14,332 and $-0-, respectively.

FSA, 21st Street Seniors, 21st 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 $1,127,130 and $1,111,469 for the years ended December 31, 2019 and 2018, respectively, and is recorded in other multifamily housing expenses on the consolidated statement of activities. Repair and maintenance costs are expensed as incurred.

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, 21st Street Seniors, 21st 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.

REVENUE RECOGNITION

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. Development fees earned for services provided in the development of low-income housing tax credit projects are deferred until collected. Revenues for Housing, FSA, 21st Street Seniors, 21st 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 2016. 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, 2019, 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.

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, 2019 and 2018.

FSA, 21st Street Seniors, 21st 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 $21,105 and $23,604 during the years ended December 31, 2019 and 2018, respectively, and are recorded in general and administrative expenses, program services expense, and in other multifamily housing expenses on the consolidated statement of activities.

RECLASSIFICATION

Certain prior year amounts on the consolidated statement of changes in net assets were reclassified to conform to current year presentation. The reclassification had no effect on the total changes in net assets.

NEW ACCOUNTING STANDARD

In November 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)* that clarifies how changes in restricted cash are classified and presented on the statement of cash flows. This new standard, which the Organization has adopted during the year ended June 30, 2020, requires restricted cash and restricted cash equivalents to be included with cash and cash equivalents on the statement of cash flows. The standard does not change the definition of restricted cash or restricted cash equivalents. Previously, changes in restricted cash were shown as investing activities. Implementation of this standard, resulted in the reclassification and inclusion of restricted cash in the beginning and ending cash balances shown on the statement of cash flows for all years presented.

ACCOUNTING STANDARDS 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.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers Topic (606)*. This ASU, which the Organization is not required to adopt until its year ending December 31, 2020, supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Organization is presently evaluating the effects that these ASUs will have on the future financial statements, including related disclosures.

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, 2019 and 2018:

	2019	2018
Cash and cash equivalents	$ 325,591	$ 311,679
Accounts receivable	206,408	439,202
Tenant security deposits	55,184	59,696
Replacement reserves	447,812	441,528
Other reserves	622,076	607,785
Escrows	261,244	231,572
Total financial assets	1,918,315	2,091,462
Less amounts unavailable for general expenditures within one year due to:		
Restricted for certain uses	(1,386,316)	(1,340,581)
Total financial assets available to management for general expenditures within one year	$ 531,999	$ 750,881

As part of the Corporation'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.

3. RESTRICTED CASH

Under various agreements related to the subsidiaries, certain cash accounts are restricted in their use as defined below:

TENANT SECRUITY DEPOSITS

The Subsidiaries maintain separate security deposit cash accounts for holding tenant deposits and refunding tenants at move out. At December 31, 2019 and 2018, the security deposit cash balance was $55,184 and $59,696, 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, 2019 and 2018, these funds amounted to $447,812 and $441,528, 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, 2019 and 2018, these funds amounted to $622,076 and $607,785, 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, 2019 and 2018, these funds amounted to $261,244 and $231,572, 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:

Balance at June 30	2019	2018
Cash and cash equivalents	$ 325,591	$ 311,679
Tenant security deposits	55,184	59,696
Replacement reserves	447,812	441,528
Other reserves	622,076	607,785
Escrows	261,244	231,572
Total cash, cash equivalents, and restricted cash shown on the statement of cash flows	$ 1,711,907	$ 1,652,260

4. SUBSIDIARIES

WHOLLY OWNED SUBSIDIARIES

Housing is a wholly owned subsidiary of CAGI. CAGI 21st Street, CAGI 21st Street II, CAGI Commons and CAGI Beech Grove are wholly owned by Housing. Housing is also the general partner of FSA. Housing, CAGI 21st Street, CAGI 21st Street II, CAGI Commons, and CAGI Beech Grove facilitate the development and operations of FSA, 21st Street Seniors, 21st Street Seniors II, Commons at Spring Mill and Beech Grove Senior affordable housing developments. Housing, CAGI 21st Street, CAGI 21st Street II, CAGI Commons and CAGI Beech Grove had no activity during 2019.

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 21st Street Seniors, 21st 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, 2019 and 2018, 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 functional expenses.

Notes Receivable and Interest Income

At December 31, 2019 and 2018, CAGI had advanced notes receivable to FSA with the following long-term obligations:

- Affordable Housing Grant in the amount $500,000. The grant is to be repaid to CAGI to the extent of 75% of annual cash flow generated by the related party with any unpaid amounts due on December 31, 2032. The note is interest free and is secured by a second mortgage on the multifamily apartment complex. During the year ended December 31, 2018, the note was forgiven and the net effect of this loan forgiveness was included in other revenue on the consolidated statement of activities.

- 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.

During the years ended December 31, 2019 and 2018, CAGI earned interest income in the amounts of $35,723 and $35,723, respectively, related to notes receivable from FSA. At December 31, 2019 and 2018, total interest due on these related-party notes receivable was $576,384 and $540,661, 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, 2019 and 2018, as these amounts have been offset by an allowance for the same amount or eliminated from the consolidated financial statements.

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, 2019 and 2018. There was no amount due from CAAP Housing, Inc. at December 31, 2019 and 2018.

6. PROPERTY AND EQUIPMENT

As of December 31, 2019 and 2018, property and equipment for FSA, 21st Street Seniors, 21st Street Seniors II, and Commons at Spring Mill consist of the following:

2019	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
Land and land improvements	$ -0-	$ 111,691	$1,767,555	$1,389,208	$2,816,100	$ 1,336,687	$ -0-	$ 7,421,241
Building and building improvements, low-income housing apartments	-0-	2,945,153	4,806,520	6,372,846	5,836,735	6,262,902	(1,469,081)	24,755,075
Personal property	85,993	47,782	620,886	702,175	333,439	868,030	-0-	2,658,305
	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)
	$ 71,661	$1,649,854	$3,953,052	$6,064,643	$6,923,909	$ 6,760,837	$ (1,469,081)	$23,954,875
2018								
Land and land improvements	$ -0-	$ 111,691	$1,767,555	$1,389,208	$2,816,100	$ 1,341,863	$ -0-	$ 7,426,417
Building and building improvements, low-income housing apartments	-0-	2,945,153	4,806,520	6,372,846	5,826,461	6,253,454	(1,469,081)	24,735,353
Personal property	-0-	47,782	620,886	702,175	333,439	868,030	-0-	2,572,312
	-0-	3,104,626	7,194,961	8,464,229	8,976,000	8,463,347	(1,469,081)	34,734,082
Accumulated depreciation	-0-	(1,391,002)	(3,045,876)	(2,227,746)	(1,790,574)	(1,297,418)	-0-	(9,752,616)
	$ -0-	$1,713,624	$4,149,085	$6,236,483	$7,185,426	$ 7,165,929	$ (1,469,081)	$24,981,466

7. LONG-TERM DEBT

	2019	2018
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.	804,984	819,331
Note 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.	871,672	883,139
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.	1,120,733	1,140,070
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	295,837
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.	1,204,744	1,234,850
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.	691,428	716,189
Mortgage note payable, bank, interest at 5.65% per annum, due June 2032, secured by mortgage on certain Beech Grove Senior real estate.	675,203	685,233
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.	377,784	392,912
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.	8,459	-0-
	6,008,582	6,167,561
Less current portion	(127,154)	(117,255)
Less unamortized debt issuance costs	(319,105)	(343,962)
Long-term portion	$5,562,323	$5,706,344

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

Year ending December 31,	
2020	127,154
2021	135,501
2022	138,087
2023	146,410
2024	154,815
Thereafter	5,306,615
	$ 6,008,582

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 $26,589 for the years ended December 31, 2019 and 2018, 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,	
2020	24,857
2021	24,857
2022	24,857
2023	24,857
2024	24,857
Thereafter	194,820
	$ 319,105

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.

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, 2019 and 2018, 96% and 93%, respectively, of CAGI's grant revenue was passed through from the Indiana Housing and Community Development Authority.

CREDIT RISK

CAGI, FSA, 21st Street Seniors, 21st 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 expired after year-end and was subsequently renewed. The line is secured by substantially all assets of CAGI. The line of credit had no outstanding borrowings as of December 31, 2019 and 2018.

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, 2019 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 $302,079 and $310,574 for the years ended December 31, 2019 and 2018, respectively.

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

Year ending December 31,	
2020	$ 264,408
2021	232,442
2022	81,864
2023	81,864
	$ 660,578

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, 2019 and 2018 totaled $14,449 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, 2019 and 2018:

Description	2019	2018
Low-income housing tax credit monitoring costs	$ 216,740	$ 216,740
Accumulated amortization	(119,921)	(105,472)
Total deferred costs, net	$ 96,819	$ 111,268

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, 2019 and 2018 were received from the following:

	2019	2018
HOME Investment Partnership Program Funds	$ 700,000	$ 700,000
Community Development Block Grant Funds	25,000	25,000
	$ 725,000	$ 725,000

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.

14. SUBSEQUENT EVENTS

In accordance with FASB ASC Topic 855, *Subsequent Events*, the Organization has evaluated subsequent events through August 31, 2020, which is the date these financial statements were available to be issued, and has determined that, except for the items noted below, there are no subsequent events that require disclosure in the financial statements.

- 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.

- Payroll Protection Program Loan:

The Organization received a Paycheck Protection Program (PPP) loan of $237,729. If the Organization meets all the required obligations during the PPP forgiveness period, the loan will be forgiven under the CARES ACT. The unforgiven portion of the loan, if any, will be required to be paid back, including 1% interest and maturing in April 2022.

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Expenditures
Department of Health and Human Services:		
Passed through Indiana Housing and Community Development Authority:		
Community Services Block Grant	93.569	$ 1,523,572
Low Income Home Energy Assistance - Weatherization	93.568	439,944
Total Department of Health and Human Services		1,963,516
Department of Energy:		
Passed through Indiana Housing and Community Development Authority:		
Weatherization Assistance for Low-income Persons	81.042	714,233
Department of Housing and Urban Development:		
Passed through Indiana Housing and Community Development Authority:		
Section 8 Housing Choice Vouchers	14.871	1,555,134
Corporation for National and Community Service:		
Direct Program:		
Foster Grandparents Program	94.011	226,316
Total federal awards expended		$ 4,459,199

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, 2019.

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.

DETAILS OF CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

ASSETS	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
Current assets:									
Cash and cash equivalents	$ 224,904	$ -0-	$ 340	$ 6,925	$ 68,342	$ 9,371	$ 15,709	$ -0-	$ 325,591
Accounts receivable	193,737	-0-	5,347	1,523	1,034	4,309	458	-0-	206,408
Other assets	48,491	171	10,743	19,525	2,255	8,330	245	(171)	89,589
Total current assets	467,132	171	16,430	27,973	71,631	22,010	16,412	(171)	621,588
Property and equipment:									
Land and land improvements	-0-	-0-	111,691	1,767,555	1,389,208	2,816,100	1,336,687	-0-	7,421,241
Property and equipment	85,993	-0-	2,992,935	5,427,406	7,075,021	6,170,174	7,130,932	(1,469,081)	27,413,380
	85,993	-0-	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)	-0-	(1,454,772)	(3,241,909)	(2,399,586)	(2,062,365)	(1,706,782)	-0-	(10,879,746)
Net property and equipment	71,661	-0-	1,649,854	3,953,052	6,064,643	6,923,909	6,760,837	(1,469,081)	23,954,875
Other assets:									
Notes receivable, related party	725,000	-0-	-0-	-0-	-0-	-0-	-0-	(725,000)	-0-
Other receivable, related party	827,546	-0-	-0-	-0-	-0-	-0-	-0-	(827,546)	-0-
Restricted deposits and funded reserves	-0-	-0-	124,746	224,331	347,994	378,162	311,083	-0-	1,386,316
Other deposits	11,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,000
Deferred cost, net of accumulated amortization	-0-	-0-	-0-	4,536	21,383	26,750	44,150	-0-	96,819
Total other assets	1,563,546	-0-	124,746	228,867	369,377	404,912	355,233	(1,552,546)	1,494,135
Total assets	$ 2,102,339	$ 171	$ 1,791,030	$ 4,209,892	$ 6,505,651	$ 7,350,831	$ 7,132,482	$ (3,021,798)	$ 26,070,598

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

DETAILS OF CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

	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
LIABILITIES AND NET ASSETS									
Current liabilities:									
Current portion of long-term debt	$ 3,625	$ -0-	$ 14,811	$ 32,437	$ 12,585	$ 45,631	$ 18,065	$ -0-	$ 127,154
Accounts payable	109,306	-0-	56,491	15,163	167	17,661	3,772	(4,000)	198,560
Other current liabilities	45,703	-0-	337,698	86,628	83,376	101,007	98,167	(320,205)	432,374
Total current liabilities	158,634	-0-	409,000	134,228	96,128	164,299	120,004	(324,205)	758,088
Long-term liabilities:									
Other long-term liabilities	684,259	-0-	1,776,384	341,468	430,742	-0-	149,152	(2,806,489)	575,516
Long-term debt, net of current portion	4,834	-0-	727,601	1,151,078	1,055,536	1,747,930	875,344	-0-	5,562,323
Total long-term liabilities	689,093	-0-	2,503,985	1,492,546	1,486,278	1,747,930	1,024,496	(2,806,489)	6,137,839
Total liabilities	847,727	-0-	2,912,985	1,626,774	1,582,406	1,912,229	1,144,500	(3,130,694)	6,895,927
Net assets and partners' equity:									
Without donor restrictions	529,612	-0-	-0-	-0-	-0-	-0-	-0-	(1,012,892)	(483,280)
With donor restrictions	725,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	725,000
Noncontrolling interest	-0-	-0-	-0-	-0-	-0-	-0-	-0-	18,932,951	18,932,951
Common stock	-0-	171	-0-	-0-	-0-	-0-	-0-	(171)	-0-
Partners' equity	-0-	-0-	(1,121,955)	2,583,118	4,923,245	5,438,602	5,987,982	(17,810,992)	-0-
Total net assets and partners' equity	1,254,612	171	(1,121,955)	2,583,118	4,923,245	5,438,602	5,987,982	108,896	19,174,671
Total liabilities and net assets	$ 2,102,339	$ 171	$ 1,791,030	$ 4,209,892	$ 6,505,651	$ 7,350,831	$ 7,132,482	$ (3,021,798)	$ 26,070,598

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

DETAILS OF CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	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
Changes in unrestricted net assets:									
Revenues and other support:									
Grant revenues	$ 4,642,189	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 4,642,189
Other revenues	106,674	-0-	8,544	3,703	43,175	37,468	6,910	(23,854)	182,620
Rental income	1,733	-0-	237,197	427,766	431,699	491,406	488,775	-0-	2,078,576
Interest income	20	-0-	607	4,000	372	2,449	148	-0-	7,596
Total unrestricted revenues and other support	4,750,616	-0-	246,348	435,469	475,246	531,323	495,833	(23,854)	6,910,981
Expenses:									
Program services:									
Energy and Weatherization	1,194,977	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,194,977
Children and Youth	460,387	-0-	-0-	-0-	-0-	-0-	-0-	-0-	460,387
Housing and Welfare	2,331,412	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,331,412
	3,986,776	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,986,776
Supporting services:									
General and administrative	747,777	-0-	-0-	-0-	-0-	-0-	-0-	-0-	747,777
Fundraising	28,745	-0-	-0-	-0-	-0-	-0-	-0-	-0-	28,745
Total program and supporting services	4,763,298	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,763,298
Other multifamily housing expenses	-0-	-0-	389,414	629,626	613,906	744,921	827,832	(41,249)	3,164,450
Total expenses	4,763,298	-0-	389,414	629,626	613,906	744,921	827,832	(41,249)	7,927,748
Decrease in unrestricted net assets before noncontrolling interests	(12,682)	-0-	(143,066)	(194,157)	(138,660)	(213,598)	(331,999)	17,395	(1,016,767)
Loss attributable to noncontrolling interests	-0-	-0-	-0-	-0-	-0-	-0-	-0-	878,414	878,414
Decrease in unrestricted net assets	$ (12,682)	$ -0-	$ (143,066)	$ (194,157)	$ (138,660)	$ (213,598)	$ (331,999)	$ 895,809	$ (138,353)

AGRESTA, STORMS & O'LEARY PC
CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, 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 31, 2020.

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.

Ayesta, Storms & O'Leary, PC

Indianapolis, Indiana
August 31, 2020

AGRESTA, STORMS & O'LEARY – PC
CERTIFIED PUBLIC ACCOUNTANTS

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

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, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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 auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2019.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Azesta, Storms & O'Leary, PC

Indianapolis, Indiana
August 31, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2019

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?	☐ YES	☒ NO
Is a significant deficiency disclosed?	☐ YES	☒ NO
Is a material weakness disclosed?	☐ YES	☒ NO
Is a material noncompliance disclosed?	☐ YES	☒ NO

Federal Programs Summary

Internal control over major programs:

• Material weakness(es) identified?	☐ YES	☒ NO
• Significant deficiencies identified that are not considered to be material weaknesses?	☐ YES	☒ 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.

CFDA #	Federal Agency	Name of Federal Program or Cluster
None		

Identification of major programs

CFDA #	Federal Agency	Name of Federal Program or Cluster
94.011	Corporation for National and Community Service	Foster Grandparents Program
14.871	Department of Housing and Urban Development	Section 8 Housing Choice Vouchers

COMMUNITY ACTION OF GREATER INDIANAPOLIS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2019

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, 2019

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