

Indiana Association for Community  
Economic Development, Inc.  
Db a Prosperity Indiana and Affiliate

Consolidated Financial Statements and  
Independent Auditors' Report

December 31, 2019 and 2018

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## Independent Auditors' Report

**Board of Directors  
Indiana Association for Community Economic  
Development, Inc. dba Prosperity Indiana and Affiliate**

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Indiana Association for Community Economic Development, Inc. dba Prosperity Indiana and its Affiliate, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Indiana Association for Community Economic Development, Inc. dba Prosperity Indiana and its Affiliate as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Estep Burkey Simmons, LLC*

Muncie, Indiana

May 15, 2020

Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 403,937	\$ 385,533
Grants receivable	92,022	240,901
Accounts receivable	35,987	26,995
Prepaid expenses	<u>10,152</u>	<u>7,802</u>
Total current assets	542,098	661,231
<b>PROPERTY AND EQUIPMENT,</b>		
net of depreciation	<u>24,038</u>	<u>28,840</u>
	<u><u>\$ 566,136</u></u>	<u><u>\$ 690,071</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 58,593	\$ 9,973
Accrued liabilities	17,351	31,053
Deferred revenue - annual summit	56,976	44,151
Deferred revenue - member dues	<u>34,310</u>	<u>35,725</u>
Total current liabilities	167,230	120,902
<b>NET ASSETS</b>		
Without donor restrictions	53,999	166,536
With donor restrictions	<u>344,907</u>	<u>402,633</u>
	<u>398,906</u>	<u>569,169</u>
	<u><u>\$ 566,136</u></u>	<u><u>\$ 690,071</u></u>

The accompanying notes are an integral part of these statements.

Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31,

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating public support and revenue			
Public support			
Grants	\$ 175,000	\$ 279,412	\$ 454,412
Contributions	4,106		4,106
Total public support	179,106	279,412	458,518
Revenue			
Fees for service	65,056		65,056
Member dues	77,144		77,144
Sponsorships	68,015		68,015
Registrations	20,405		20,405
Interest income	4,866		4,866
Loss on disposal of equipment			
Tenant improvements refund	940		940
	415,532	279,412	694,944
Total operating public support and revenues			
Net assets released from restrictions			
Satisfaction of purpose restrictions	337,138	(337,138)	
Operating expenses			
Program services	642,382		642,382
Supporting activities	222,825		222,825
	865,207		865,207
Total expenses			
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(112,537)	(57,726)	(170,263)
Net assets at beginning of year	166,536	402,633	569,169
Net assets at end of year	\$ 53,999	\$ 344,907	\$ 398,906

The accompanying notes are an integral part of these statements.

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 173,020	\$ 258,787	\$ 431,807
11,838		11,838
<u>184,858</u>	<u>258,787</u>	<u>443,645</u>
105,734		105,734
59,930		59,930
51,360		51,360
16,225		16,225
3,714		3,714
(1,143)		(1,143)
<u>13,215</u>		<u>13,215</u>
433,893	258,787	692,680
234,575	(234,575)	
475,722		475,722
<u>273,179</u>		<u>273,179</u>
<u>748,901</u>		<u>748,901</u>
(80,433)	24,212	(56,221)
<u>246,969</u>	<u>378,421</u>	<u>625,390</u>
<u>\$ 166,536</u>	<u>\$ 402,633</u>	<u>\$ 569,169</u>

Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	Program Services				Supporting Activities			
	Member Services	Capacity Building	Policy and Advocacy	Total Program	Admin & Organizational Development	Fundraising	Total Supporting	Total
Salaries and wages	\$ 83,133	\$ 147,716	\$ 58,032	\$ 288,881	\$ 94,345	\$ 9,346	\$ 103,691	\$ 392,572
Benefits and payroll taxes	17,264	26,104	7,728	51,096	20,799	2,618	23,417	74,513
Office expenses	1,225	289	10	1,524	8,895	26	8,921	10,445
Printing and publications	1,483		440	1,923	507		507	2,430
Occupancy					35,174		35,174	35,174
Telephone	5,605	10,000	480	16,085	7,426		7,426	23,511
Insurance					4,984		4,984	4,984
Pass through grants		88,261		88,261				88,261
Other conference expenses	19,425	75		19,500	500		500	20,000
Food & refreshments	20,814	2,948	1,493	25,255	626	37	663	25,918
Dues and subscriptions	1,866	129	2,283	4,278	465		465	4,743
Professional expenses	4,904	80,227	36,270	121,401	28,940	192	29,132	150,533
Travel	4,787	7,580	2,915	15,282	2,170	4	2,174	17,456
Depreciation	2,052	3,358	1,026	6,436	2,705	187	2,892	9,328
Advertising					869		869	869
Miscellaneous expenses	1,323	839	298	2,460	2,010		2,010	4,470
	<u>\$ 163,881</u>	<u>\$ 367,526</u>	<u>\$ 110,975</u>	<u>\$ 642,382</u>	<u>\$ 210,415</u>	<u>\$ 12,410</u>	<u>\$ 222,825</u>	<u>\$ 865,207</u>

The accompanying notes are an integral part of these statements.



Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	Program Services				Supporting Activities			
	Member Services	Capacity Building	Policy and Advocacy	Total Program	Admin & Organizational Development	Fundraising	Total Supporting	Total
Salaries and wages	\$ 85,881	\$ 140,917	\$ 42,033	\$ 268,831	\$ 126,887	\$ 7,351	\$ 134,238	\$ 403,069
Benefits and payroll taxes	20,284	26,921	4,597	51,802	26,353	1,852	28,205	80,007
Office expenses	592	89	32	713	8,818		8,818	9,531
Printing and publications	763	2,281	7	3,051	1,615		1,615	4,666
Occupancy					23,203		23,203	23,203
Telephone	17,347	513		17,860	5,285		5,285	23,145
Insurance					4,793		4,793	4,793
Pass through grants							-	-
Other conference expenses	10,997			10,997				10,997
Food & refreshments	19,131	251	227	19,609	1,093	1,750	2,843	22,452
Dues and subscriptions	2,050	527	2,449	5,026	1,216	119	1,335	6,361
Professional expenses	4,942	35,255	36,151	76,348	50,158	151	50,309	126,657
Travel	6,828	4,070	1,577	12,475	1,130		1,130	13,605
Depreciation	1,669	2,739	817	5,225	2,193	143	2,336	7,561
Advertising	1,025			1,025	2,032		2,032	3,057
Miscellaneous expenses	2,021	739		2,760	7,037		7,037	9,797
	<u>\$ 173,530</u>	<u>\$ 214,302</u>	<u>\$ 87,890</u>	<u>\$ 475,722</u>	<u>\$ 261,813</u>	<u>\$ 11,366</u>	<u>\$ 273,179</u>	<u>\$ 748,901</u>

The accompanying notes are an integral part of these statements.

Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,

	2019	2018
Cash flows from operating activities:		
Decrease in net assets	\$ (170,263)	\$ (56,221)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	9,328	7,561
Loss on disposal of equipment		1,143
(Increase) decrease in assets:		
Grants and accounts receivable	139,887	(57,952)
Prepaid expenses	(2,350)	16,074
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	34,918	(9,891)
Deferred revenue	11,410	12,440
	22,930	(86,846)
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchases of furniture and equipment	(4,526)	(30,544)
Net cash used in investing activities	(4,526)	(30,544)
Net change in cash	18,404	(117,390)
Cash at beginning of year	385,533	502,923
Cash at end of year	\$ 403,937	\$ 385,533

The accompanying notes are an integral part of these statements.

**Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Nature of Association

Indiana Association for Community Economic Development, Inc. ("IACED"), d/b/a Prosperity Indiana (the "Organization") builds a better future for our communities by providing advocacy, leveraging resources, and engaging an empowered network of members to create inclusive opportunities that build assets and improve lives.

In August 2017, the Organization formed a wholly-owned, single-member LLC entity called Prosperity Indiana Fund, LLC. The entity was formed to be a non-depository financial entity to primarily provide financial assistance to nonprofit entities in designated Investment Areas with the purpose of improving the economic capability of disinvested individuals and communities in the State of Indiana.

The Organization seeks ways to fund members and their work, build and retain relationships, and address local to national issues impacting the capacity of members and their potential to deliver services and lead change in their communities. The Organization has two classes of membership—voting membership for nonprofit organizations and associate membership for governmental organizations, private enterprises, quasi-governmental organizations, and individuals. The organization impacts: communities, by promoting Comprehensive Community Development efforts across the state, which includes addressing social determinants of health and encouraging inclusive growth; **organizations**, by improving member capacity to impact communities and individuals and track the progress of their efforts; and individuals, by fostering innovation in financial capability and asset building strategies and increasing opportunities to access resources. Driven by values of empowerment, integrity, impact, collaboration, and social justice, Prosperity Indiana seeks to REAP prosperity to strengthen communities (people and places). REAP stands for Resources, Engagement, Advocacy and signature Programs.

**Resources:** Prosperity Indiana is dedicated to providing members with helpful tools to advance their work. Resources include consulting services, trainings, resource library, and funding. Training and technical assistance are aligned services to build the capacity of community economic development practitioners and the organizations employing them. The Organization delivers a robust program of training for member organization staff and others in the community development field. Training topics address the diversity of technical and adaptive knowledge necessary to manage organizations, exercise leadership, and deliver outcomes. Technical assistance is long-term, one-on-one consulting support. Staff provide a depth of experience and knowledge. The Organization provides technical assistance in the following categorical areas: board governance, financial management, planning, program/project development and delivery, resource development, staff development, and staff management services. The Organization's role of funder and capital provider includes efforts to secure New Market Tax Credits serving member projects, as well as leveraging its state and national partners and grant writing expertise to secure resources for members. The Organization also serves as the fiscal agent and program manager for member initiatives to help launch innovation.

**Engagement:** Prosperity Indiana uses a number of strategies to accomplish community building and connecting is to network and unite members. This includes the Organization's blog and social networks, the monthly newsletter Piece of the PI, peer-to-peer networks, a mobile app, membership directory, an annual summit and leadership awards, and regional member meetings. The organization also accomplishes connectivity and advocacy goals through coalition building efforts.

**Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

1. Nature of Association - Continued

**Advocacy:** Advocacy and policy engagement are important parts of a successful community economic development framework. The Organization's advocacy work strengthens members by building relationships. It enhances members' skills and capacity to understand their own policy environments, large and small, and to communicate their values and priorities to their elected officials and program administrators. It enables front-line practitioners to have their voices heard in policy debates. The advocacy function organizes members and supporters around a policy agenda, builds and maintains strategic partnerships with allies to advance this agenda, and monitors and explains trends in policymaking to members.

**Programs:** Prosperity Indiana leads or co-leads a variety of branded programs to meet its mission around providing advocacy, engagement and resources to members. Current initiatives include:

**Community Loan Center:** The Community Loan Center Affordable Small-Dollar Loan Program (CLC) is an alternative to expensive payday loans. Prosperity Indiana is the Indiana statewide coordinator for the CLC program. Support includes helping these organizations raise lending capital. Twenty-three counties in Indiana are currently served by a local CLC lender.

**Indiana Assets and Opportunity Network ("A&O"):** Co-led by Prosperity Indiana and the Indiana Institute for Working Families, the A&O Network strives to increase asset acquisition for low-wealth Hoosiers and strengthen local economies through policy advocacy and capacity building. A&O advocates for economic security issues, such as housing, child care, food, transportation, and health care.

**Empower Indiana:** In partnership with CareSource Foundation, Prosperity Indiana conducted the Empower Indiana Grant challenge in 2019 that awarded nearly \$100,000 to nonprofit organizations actively addressing social determinants of health.

**Envision Collaborative:** Envision Collaborative combines training, coaching, and technical assistance to expand impact of comprehensive community development. This holistic approach engages residents, nonprofits, government, and other stakeholders in developing and implementing strategies that affect quality of life.

**Opportunity Investment Consortium:** Prosperity Indiana is a training and resource partner for the Opportunity Investment Consortium. The purpose of the Consortium is to encourage the transformation of Opportunity Zone neighborhoods into vibrant places that are sustainable for both residents and businesses.

**Outcomes Platform:** Prosperity Indiana acts as the statewide reseller of licenses for InsightVision, a cloud-based strategy management system that hosts the Organization's Outcomes Platform. It addresses two critical areas of outcome analysis for Prosperity Indiana members: 1) Organizational performance and 2) Collective impact strategy.

**Indiana Assets and Opportunity Corps (IAOC) AmeriCorps Fellowship:** The IAOC fellowship program matches talented emerging leaders with Prosperity Indiana members. AmeriCorps members serve with nonprofit organizations and local governments to provide capacity building support around integrating financial capability, outcomes measurement and comprehensive community development.

Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting.

Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. While most gift instruments give the Organization's Board of Directors the right to vary the terms of the gift, this only allows for a limited right of modification and does not relieve the restrictions imposed by the donor. Accordingly, the net assets of the Organization are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. The board of directors has designated, from net assets without donor restrictions, net assets for an operating reserve, capital reserve, and board-designated endowment.

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

3. Cash and Cash Equivalents

The Organization's cash consists of checking, savings and money market accounts with three financial institutions. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. To date, there have been no losses on such accounts.

4. Accounts Receivable

The Organization's policy for determining when receivables are past due is on a case-by-case basis. Amounts are considered uncollectible at the time management believes that satisfactory payment arrangements cannot be made. For the years ended December 31, 2019 and 2018, an allowance for uncollectible accounts is not deemed necessary.

5. Grants Receivable

Grants receivable includes reimbursements and unconditional promises to give, and is reported at net realizable value. All amounts are expected to be collected within one year, and none are considered uncollectible as of the years ended December 31, 2019 and 2018.

6. Property and Equipment

Property and equipment are stated at cost. Donated property and equipment is reflected as a contribution in the consolidated financial statements at its estimated fair market value. It is the Organization's policy to consider a donor restriction of or for long-lived assets satisfied when the asset is purchased and put into service. The Organization's capitalization policy is \$500 for assets purchased with an estimated useful life of 3 years or more. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years.

**Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

6. Property and Equipment - Continued

Expenditures for property and equipment and for renewals or betterments which extend the originally estimated economic life of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense. When an asset is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the Consolidated Statements of Activities. Projects in progress are not depreciated until the asset is placed into service.

7. Support and Revenue

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the financial year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Support funded by government grants is recognized as the Organization performs contracted services under grant agreements. Government grant revenue is recognized as earned when eligible expenses are incurred. Government grant expenditures are subject to audit and acceptance by the granting agency. Adjustments would be required for any disallowed expenditures.

Funding is primarily provided through government agencies, foundation grants, contributions and membership dues. The Organization also receives fees for member services such as strategic planning and consulting fees from tax credit projects. Revenue from fees for services is recognized when earned.

8. Concentration of Risk

The Organization receives a significant portion of its support and revenue from various sources. The percentage of support and revenue received from those sources is as follows:

	<u>2019</u>	<u>2018</u>
Funding sources:		
IN Housing & Community Development Authority	13%	11%
Lilly Endowment, Inc.	25%	32%
Fifth Third Bank	14%	0%
CareSource	0%	14%

9. Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities. Accordingly, certain indirect costs have been allocated among programs and other activities based on percentages of staff time spent.

**Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

10. Tax Status

The Organization recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Organization has examined this issue and has determined there are no material contingent tax liabilities.

The Organization's federal and state exempt organization tax returns for 2016, 2017, and 2018 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. Returns are generally subject to examination for three years after they are filed.

11. Use of Estimates

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

**NOTE B - DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table disaggregates the Organization's revenue from contracts with customers based on the type of revenue for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Fees for service	\$ 65,056	\$ 105,734
Member dues	77,144	59,930
Registrations	<u>20,405</u>	<u>16,225</u>
	<u>\$ 162,605</u>	<u>\$ 181,889</u>

**NOTE C - OPERATING LEASES**

In May 2018, the Organization entered into a lease agreement for office space expiring in November 2025. Minimum office space lease payments are \$19.60 per square foot per year until May 2019 and increase by \$.040 per square foot per year every 12 months thereafter. Total rent expense for the years ended December 31, 2019 and 2018 was \$31,443 and \$15,504, respectively. Future minimum lease payments are as follows.

Year ending December 31, 2020	\$ 32,131
2021	32,766
2022	33,401
2023	34,036
2024	34,671

**Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE D - LIQUIDITY**

The Organization has financial assets available within one year of the Consolidated Statements of Financial Position date consisting of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$ 403,937	\$ 385,533
Accounts receivable	35,987	26,995
	<u>\$ 439,924</u>	<u>\$ 412,528</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Consolidated Statements of Financial Position date. The Organization has a goal to maintain cash on hand to meet 180 days of its normal operating budget, approximately \$372,000.

**NOTE E - NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
Member Services		
Community membership		\$ 5,000
Capacity Building		
AmeriCorps	\$ 82,722	112,442
Integrating Financial Capability	1,396	4,941
City of Anderson Quality of Life Plan		16,147
Capacity building and training		9,419
Indiana Bond Bank Flipping Finance Challenge	6,000	
Community Loan Center expansion	50,776	13,931
Opportunity zones	13,500	
Opportunity Starts at Home	462	
Community Development Capacity Building Initiative	46,608	
Empower Indiana grants	90,680	
Outcomes Platform development	6,360	6,737
Policy and Advocacy		
Consumer protections campaign	23,918	30,674
Administration and Organization Development		
Office relocation and leadership transition	14,716	35,284
	<u>\$ 337,138</u>	<u>\$ 234,575</u>



**Indiana Association for Community Economic Development, Inc.  
dba Prosperity Indiana and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2019 and 2018

**NOTE F - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specific purpose:		
Capacity Building		
Integrating Financial Capability	\$ 6,635	\$ 6,646
Community Development Financial Institution Certification	8,000	9,385
AmeriCorps	5,868	
Community Development Capacity Building Initiative	53,392	
Outcomes Platform development	6,861	13,221
Opportunity Starts at Home	49,538	
Community Loan Center expansion	205,293	256,069
Empower Indiana grant	9,320	100,000
Policy and Advocacy		
Consumer Protections Campaign		2,596
Administration and Organization Development		
Office relocation and leadership transition		14,716
	<u>\$ 344,907</u>	<u>\$ 402,633</u>

**NOTE G - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 15, 2020, which is the date these consolidated financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2019, have been incorporated into these consolidated financial statements herein.

**NOTE H - ADOPTION OF NEW ACCOUNTING STANDARD**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective January 1, 2019, the first day of the Organization's fiscal year, using the full retrospective method.

As part of the adoption of the ASU, the Organization elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) the Organization used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when the Organization expects to recognize such revenue for all periods prior to the date of initial application of the ASU; and (iv) the Organization has reflected the aggregate of all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price.

Indiana Association for Community Economic Development, Inc.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE H - ADOPTION OF NEW ACCOUNTING STANDARD - Continued

The majority of the Organization's revenue from contracts with customers is recognized at a point in time and over a period of time. The contracts recognized at a point in time consist of a single performance obligation that is satisfied within one year or less. The contracts recognized over a period of time consist of monthly performance obligations that are satisfied within one year or less. In addition, the majority of the Organization's contracts do not contain variable consideration and contract modifications are generally minimal. For these reasons, there is not a significant impact as a result of electing these transition practical expedients.

The adoption of this ASU did not have an impact on the Organization's financial statements. The majority of the Organization's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.