

**Community Action
Program of Evansville and
Vanderburgh County, Inc.
and Subsidiaries**

**Consolidated Financial Statements
For The Years Ended
December 31, 2025 and 2024
(With Single Audit Section)**

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Certified Public Accountants

**COMMUNITY ACTION PROGRAM OF EVANSVILLE AND
VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
FINANCIAL STATEMENTS**

CONTENTS

INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position.....	4
Consolidated Statements of Activities and Changes in Net Assets	6
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows.....	9
Notes to Consolidated Financial Statements.....	10
SUPPLEMENTARY INFORMATION	
Independent Auditor’s Report on Supplementary Information	27
Consolidating Statements of Financial Position	28
Consolidating Statements of Activities and Changes in Net Assets.....	30
Consolidating Statements of Cash Flows	31
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards.....	32
Notes to Schedule of Expenditures of Federal Awards	34
Schedule of Expenditures of State and Local Awards.....	35
Summary Schedule of Prior Audit Findings.....	36
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with <i>Government Auditing Standards</i>	37
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	39
Schedule of Findings and Questioned Costs.....	42

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Action Program of Evansville and Vanderburgh County, Inc. and Subsidiaries
Evansville, Indiana

Report on the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community Action Program of Evansville and Vanderburgh County, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Community Action Program of Evansville and Vanderburgh County, Inc. as of December 31, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Action Program of Evansville and Vanderburgh County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Community Action Program of Evansville and Vanderburgh County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Action Program of Evansville and Vanderburgh County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of expenditures of state and local awards, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2026 on our consideration of the Community Action Program of Evansville and Vanderburgh County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Community Action Program of Evansville and Vanderburgh County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Community Action Program of Evansville and Vanderburgh County, Inc.'s internal control over financial reporting and compliance.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
September 11, 2026

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
	Total	Total
Current assets		
Cash and cash equivalents	\$ 2,689,252	\$ 2,025,900
Grants and accounts receivable	959,717	2,688,596
Prepaid expenses	203,762	130,541
Total current assets	<u>3,852,731</u>	<u>4,845,037</u>
Property and equipment		
Land	353,318	323,544
Vehicles and equipment	1,696,739	1,660,864
Buildings and improvements	7,522,150	6,682,974
Construction in process	-	310,000
	9,572,207	8,977,382
Less accumulated depreciation	<u>(3,774,044)</u>	<u>(3,249,450)</u>
Total property and equipment, net	<u>5,798,163</u>	<u>5,727,932</u>
Other assets		
Due from Southern Indiana Housing Corp.	3,200	3,200
Due from Brumfield Place, L.P.	-	271,551
Investment in Brumfield Place, L.P.	156,185	156,185
Investment in captive buy-in	90,548	42,224
Beneficial interest in Community Foundation	10,000	-
Notes receivable - Brumfield Place, L.P.	300,000	225,000
Notes receivable - Paradise Estates Apartments	742,575	749,084
Right-of-use asset - operating	1,316,793	1,462,296
Capitalized costs, net	13,140	23,651
Total other assets	<u>2,632,441</u>	<u>2,933,191</u>
Total assets	<u><u>\$ 12,283,335</u></u>	<u><u>\$ 13,506,160</u></u>

See accompanying notes to consolidated financial statements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

LIABILITIES AND NET ASSETS

	2025	2024
	Total	Total
Current liabilities		
Accounts payable	\$ 103,907	\$ 214,322
Accrued payroll and payroll expenses	397,559	304,504
Other current liabilities	14,240	
Self-funded insurance liability	238,705	238,230
Deferred revenue	53,168	16,270
Current maturities of long-term debt	40,927	29,641
Lease liability operating - current portion	272,096	247,593
Total current liabilities	<u>1,120,602</u>	<u>1,050,560</u>
Long-term liabilities		
Notes payable, net of current maturities	2,600,792	2,153,816
Lease liability - operating, less current portion	1,128,271	1,287,236
Total long-term liabilities	<u>3,729,063</u>	<u>3,441,052</u>
Total liabilities	<u>4,849,665</u>	<u>4,491,612</u>
Net Assets		
Without donor restrictions	7,397,670	9,014,548
With donor restrictions	36,000	-
Total net assets	<u>7,433,670</u>	<u>9,014,548</u>
Total liabilities and net assets	<u>\$ 12,283,335</u>	<u>\$ 13,506,160</u>

See accompanying notes to consolidated financial statements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Grant revenue	\$ 13,437,097	\$ 36,000	\$ 13,473,097	\$ 16,194,286	\$ -	\$ 16,194,286
Contributions	52,877	-	52,877	58,655	-	58,655
Program revenue	19,025	-	19,025	100,467	-	100,467
Rent income	304,344	-	304,344	171,777	-	171,777
Other	436,225	-	436,225	85,073	-	85,073
Interest	57,474	-	57,474	15,493	-	15,493
Forgiveness of debt	201,742	-	201,742	415,913	-	415,913
Gain (loss) on sale/valuation of propert	(102,813)	-	(102,813)	(252,982)	-	(252,982)
In-kind contributions	623,779	-	623,779	622,666	-	622,666
Total support and revenue	15,029,750	36,000	15,065,750	17,411,348	-	17,411,348
Functional expenses						
Childhood education	7,971,938	-	7,971,938	7,685,703	-	7,685,703
Child care	1,509,882	-	1,509,882	1,487,918	-	1,487,918
Nutrition	438,286	-	438,286	399,049	-	399,049
Literacy	102,067	-	102,067	85,264	-	85,264
Senior volunteer	175,477	-	175,477	180,185	-	180,185
Utility assistance	3,024,259	-	3,024,259	3,404,724	-	3,404,724
Housing assistance	734,034	-	734,034	1,382,923	-	1,382,923
Home weatherization assistance	684,222	-	684,222	672,308	-	672,308
Emergency family service	5,467	-	5,467	9,305	-	9,305
Management and general	1,285,983	-	1,285,983	1,105,418	-	1,105,418
Subsidiary	422,777	-	422,777	292,930	-	292,930
Total functional expenses	16,354,392	-	16,354,392	16,705,727	-	16,705,727
Increase (decrease) in net assets	(1,324,642)	36,000	(1,288,642)	705,621	-	705,621
Net assets at beginning of year	9,014,548	-	9,014,548	8,308,927	-	8,308,927
Net assets of Brumfield transferred in	(292,236)	-	(292,236)	-	-	-
Net assets at end of year	\$ 7,397,670	\$ 36,000	\$ 7,433,670	\$ 9,014,548	\$ -	\$ 9,014,548

See accompanying notes to consolidated financial statements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Childhood Education	Child Care	Nutrition	Literacy	Senior Volunteer	Utility Assistance	Housing Assistance	Home Weatherization Assistance	Emergency Family Services	Management and General	Subsidiaries	2025 Totals
OPERATING EXPENSES												
Personnel costs	\$ 6,235,676	\$ 1,227,648	\$ -	\$ 72,904	\$ 67,237	\$ 283,681	\$ 484,094	\$ 284,917	\$ -	\$ 593,454	\$ -	\$ 9,249,611
Space costs	460,366	89,902	-	97	684	31,201	171,722	41,834	-	31,478	-	827,284
Communications	57,940	19,425	-	794	350	2,703	5,763	812	-	12,581	-	100,368
Contractual services	321,477	94,363	-	77	993	22,151	27,169	27,117	-	162,448	-	655,795
Materials and supplies	235,240	21,465	41,546	20,971	5,343	19,154	2,428	6,748	2,587	23,632	-	379,114
Travel and training	57,998	9,243	-	726	14,352	2,478	11,844	6,904	2,880	34,966	-	141,391
Customer assistance	9,926	2,832	396,740	-	75,946	2,659,307	11,541	309,485	-	47,243	-	3,513,020
Other	132,305	45,004	-	6,498	2,865	3,584	19,473	6,405	-	380,181	-	596,315
Subsidiaries	-	-	-	-	-	-	-	-	-	-	422,777	422,777
In-kind expenses	461,010	-	-	-	7,707	-	-	-	-	-	-	468,717
									-			
Total operating expenses	<u>\$ 7,971,938</u>	<u>\$ 1,509,882</u>	<u>\$ 438,286</u>	<u>\$ 102,067</u>	<u>\$ 175,477</u>	<u>\$ 3,024,259</u>	<u>\$ 734,034</u>	<u>\$ 684,222</u>	<u>\$ 5,467</u>	<u>\$ 1,285,983</u>	<u>\$ 422,777</u>	<u>\$ 16,354,392</u>

See accompanying notes to consolidated financial statements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Childhood Education	Child Care	Nutrition	Literacy	Senior Volunteer	Utility Assistance	Housing Assistance	Home Weatherization Assistance	Emergency Family Services	Management and General	Subsidiary	2024 Totals
OPERATING EXPENSES												
Personnel costs	\$ 5,855,372	\$ 1,282,143	\$ -	\$ 78,499	\$ 61,312	\$ 350,858	\$ 407,945	\$ 258,716	\$ -	\$ 483,542	\$ -	\$ 8,778,387
Space costs	272,118	37,099	-	-	2	21,949	100,790	15,694	-	7,319	-	454,971
Communications	171,907	32,564	-	-	-	31,203	29,230	24,776	-	46,765	-	336,445
Contractual services	319,145	52,957	-	-	358	18,650	52,115	21,098	-	71,387	-	535,710
Materials and supplies	227,261	15,105	13,622	5,415	5,412	10,585	13,028	7,446	6,394	63,858	-	368,126
Travel and training	58,848	10,508	-	884	7,523	2,634	47,780	7,878	2,880	41,291	-	180,226
Customer assistance	6,083	3,090	385,402	-	89,527	2,959,033	16,687	327,777	-	45,512	-	3,833,111
Other	163,174	54,452	25	466	5,466	9,812	715,348	8,923	31	345,744	-	1,303,441
Subsidiary	-	-	-	-	-	-	-	-	-	-	292,930	292,930
In-kind expenses	611,795	-	-	-	10,585	-	-	-	-	-	-	622,380
									-			
Total operating expenses	<u>\$ 7,685,703</u>	<u>\$ 1,487,918</u>	<u>\$ 399,049</u>	<u>\$ 85,264</u>	<u>\$ 180,185</u>	<u>\$ 3,404,724</u>	<u>\$ 1,382,923</u>	<u>\$ 672,308</u>	<u>\$ 9,305</u>	<u>\$ 1,105,418</u>	<u>\$ 292,930</u>	<u>\$16,705,727</u>

See accompanying notes to consolidated financial statements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,288,642)	\$ 705,621
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	371,121	354,634
Amortization	10,511	10,511
Gain on sale of property and equipment	127,682	252,982
Forgiveness of debt	(201,743)	(415,912)
Bad debt expense	5,553	627,071
Earnings on subsidiary	(300,000)	-
Increase (decrease) in cash from changes in:		
Grants and accounts receivable	1,752,158	(1,238,032)
Prepaid expenses	(60,738)	24,733
Right-of-use asset - operating	145,503	245,081
Accounts payable	(126,494)	5,085
Accrued payroll and related expenses	95,211	(199,766)
Self-funded insurance liability	475	238,230
Deferred revenue	27,282	(8,828)
Lease liability - operating	<u>(134,462)</u>	<u>(229,249)</u>
Net cash provided by (used in) operating activities	<u>423,417</u>	<u>372,161</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advances to related parties	23,169	(310,972)
Proceeds from sale of property and equipment	239,973	450
Investment in Brumfield Place	(12,000)	-
Investment in captive buy-in	(48,324)	(42,224)
Investment in Community Foundation	(10,000)	-
Purchases of property and equipment	<u>(105,575)</u>	<u>(188,892)</u>
Net cash provided by (used in) investing activities	<u>87,243</u>	<u>(541,638)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of notes payable	<u>(31,835)</u>	<u>(30,248)</u>
Net cash provided by (used in) financing activities	<u>(31,835)</u>	<u>(30,248)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>478,825</u>	<u>(199,725)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,025,900	2,225,625
Brumfield Place transfer of ownership	<u>184,528</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,689,253</u></u>	<u><u>\$ 2,025,900</u></u>

See accompanying notes to consolidated financial statements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Community Action Program of Evansville and Vanderburgh County, Inc.(the “Organization”), and its wholly owned subsidiary, CAPE Place, LLC, and majority owned subsidiary, Brumfield Place, LP (the “Subsidiaries”). In accordance with the FASB Accounting Standards Codification topic “Consolidation of Not-for-profit entities,” consolidation is required for the aforementioned entities and all material intercompany transactions have been eliminated in the consolidation.

NATURE OF OPERATIONS

Community Action Program of Evansville and Vanderburgh County, Inc. (CAPE or the Organization) was incorporated and commenced operations as a not-for-profit Organization in 1965, under the laws of the State of Indiana. The Organization was formed to develop and provide resources for the purpose of assisting low-income individuals in the City of Evansville and Vanderburgh County, Indiana through a variety of programs, including Head Start, Energy Assistance, Section 8, Weatherization, Foster Grandparents, Owner Occupied Rehabilitation Programs, Food Banks, and Individual Development Accounts. The Organization is primarily supported through federal and state government grants.

CAPE Place, LLC was formed to further the charitable purposes of Community Action Program of Evansville and Vanderburgh County, Inc. through the development, ownership, and operation of a 28-unit affordable housing rental project on certain real estate located in Princeton, Indiana, to be known as CAPE Place.

Brumfield Place, LP was organized to construct, own, and operate a 24-unit affordable apartment rental complex in Princeton, Indiana. Effective July 15, 2025, the Organization acquired a limited partnership interest in Brumfield Place, LP. Refer to Note 10 for additional information.

Income or losses from business activity conducted by CAPE Place, LLC, Brumfield Place, LP and Community Action Program of Evansville and Vanderburgh County, Inc. are reflected as increases and decreases in the Subsidiary’s net assets in the consolidated statement of financial position. Additionally, income and losses from the Subsidiary’s activities are presented in the consolidated statement of activities.

BASIS OF ACCOUNTING

The financial statements of the Organization and Subsidiaries have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

REVENUE RECOGNITION

The Organization receives grants and cost-reimbursement awards from the State of Indiana and the federal government to support certain program activities. These conditional grants are awarded under contracts that require the Organization to submit appropriate documentation of services provided to eligible individuals. Revenue from cost-reimbursement awards is recognized when allowable costs are incurred in accordance with the terms of the respective agreements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

REVENUE RECOGNITION – (continued)

Amounts received in advance of allowable expenditures are reported as liabilities. Revenue under service contracts is recognized as the related services are provided.

The Subsidiaries recognize revenue monthly as it is earned and billed to tenants. All leases between the Subsidiaries and the property tenants are classified as operating leases.

The Organization reports grants and contributions of cash and other assets as support with donor restrictions if they are received with donor-imposed stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restrictions.

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are recorded at the present value of estimated future cash flows. The amortization of discounts is recognized as contribution revenue. Conditional promises to give are not recognized as revenue until the related conditions have been substantially met. As of December 31, 2025 and 2024 conditional awards available to be spent with allowable expenses were approximately \$6,145,000 and \$5,754,000, respectively.

In addition to cash contributions, the Organization receives in-kind contributions from various donors. The Organization records qualifying in-kind contributions at their estimated fair value as both contribution revenue and a corresponding expense or asset, as appropriate.

Contributed services are recognized as revenue at their estimated fair value if the services either create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would otherwise need to be purchased by the Organization.

No amounts have been recognized in the financial statements for contributed services that do not meet the recognition criteria. The Organization receives significant volunteer support from individuals who contribute their time to assist with various programs, fundraising activities, and committee assignments.

PROPERTY AND EQUIPMENT

The Organization and Subsidiaries follow the practice of capitalizing all expenditures in excess of \$5,000 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided using the straight-line method over estimated useful lives of three to forty years.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

PROPERTY AND EQUIPMENT - (continued)

The following is a summary of the lives for each class of asset:

Buildings	22-40 years
Leasehold improvements	15 years
Equipment	3-10 years
Vehicles	5 years

When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is credited or charged to income. Expenditures for maintenance and repairs are expensed when incurred.

The Organization has adopted a policy under which donor-imposed time restrictions on contributions of long-lived assets, and on contributions of cash or other assets restricted for the acquisition of long-lived assets, are considered satisfied when the related asset is placed in service.

The Organization's total depreciation expense for the years ended December 31, 2025 and 2024, was \$260,926 and \$263,029, respectively. The Subsidiaries' depreciation expense was \$110,195 and \$91,605, respectively for the years ended December 31, 2025 and 2024.

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization that is not a private foundation under Section 509(a)(2).

CAPE Place, LLC is wholly owned by the Organization as the single member. Per Internal Revenue Service Code, the LLC is considered to be a "disregarded entity" for tax purposes, meaning that all revenues and expense of the LLC are reported as part of the Organization's annual tax return. No income tax return is required to be prepared for the sole-member LLC.

The Organization holds a limited partnership interest in Brumfield Place, LP, a low-income housing partnership. The Organization evaluates income, losses, deductions, and other amounts reported on Schedule K-1 to determine whether such amounts constitute unrelated business taxable income under Sections 512 and 514 of the Internal Revenue Code. Management believes the activities of the low-income housing partnership are substantially related to the Organization's exempt purpose; therefore, partnership income has not been treated as unrelated business taxable income.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

TAX BENEFITS

The Organization and Subsidiaries recognize 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. With few exceptions, the Organization and Subsidiaries are no longer subject to examination by taxing authorities for the years before 2022.

FINANCIAL STATEMENT PRESENTATION

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Community Action Program of Evansville and Vanderburgh County, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent the portion of net assets of Community Action Program of Evansville and Vanderburgh County, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by Community Action Program of Evansville and Vanderburgh County, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Community Action Program of Evansville and Vanderburgh County, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation, and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

For the years ended December 31, 2025 and 2024, the Organization had \$36,000 and \$-0- net assets with donor restrictions.

USE OF ESTIMATES

The preparation of accrual basis financial statements 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

ALLOCATION OF COSTS

The Organization allocates joint costs to benefiting programs using various allocation methods, depending on the nature of the cost being allocated. Joint costs are those costs incurred for the common benefit of multiple programs and activities and that cannot be readily identified with a single final cost objective.

Administrative Personnel

Administrative personnel record the time spent working on specific programs through timesheets or other approved timekeeping records. Time that is directly attributable to a specific program is charged directly to that program.

When administrative personnel perform activities that benefit all programs, such as payroll processing, bank reconciliations, financial reporting, benefits administration, and other agency-wide functions, the related personnel costs are allocated among programs based on the number of full-time equivalent (FTE) employees assigned to each program.

Administrative Non-personnel Costs

Administrative non-personnel costs, including administrative office space, utilities, telecommunications, office supplies, travel, and similar expenses, are charged directly to benefiting programs whenever practicable.

When direct allocation is not possible or is not administratively feasible, these costs are allocated among programs based on the number of full-time equivalent (FTE) employees assigned to each program.

Occupancy Costs

Occupancy costs are charged directly to the programs that utilize the space whenever such usage can be readily identified.

For facilities or areas shared by two or more programs, occupancy costs are allocated among benefiting programs based on the number of full-time equivalent (FTE) employees assigned to each program at the location.

GRANTS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Grants receivable represent amounts claimed by the Organization for reimbursement under grant agreements as of the fiscal year-end that were pending payment at the reporting date. A substantial majority of these receivables are due from governmental funding sources.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

GRANTS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS – (continued)

Management has evaluated the collectability of grants receivable and has determined that all amounts are fully collectible. Accordingly, no allowance for doubtful accounts has been recorded as of the fiscal year-end, as management believes no material losses will be incurred on the collection of these receivables.

ACCOUNTS RECEIVABLE

Accounts receivable represent amounts due to the Organization for childcare services provided.

For the Subsidiaries, tenant rent charges are due at the beginning of each month. No interest is accrued on outstanding receivable balances. Tenant receivables are charged to credit loss expense when deemed uncollectible. Management has determined that the effect of using the direct write-off method rather than an allowance method is not material to the financial statements.

Management has evaluated the collectability of these receivables and believes that substantially all outstanding amounts are fully collectible. Accordingly, no allowance for credit losses has been recorded as of the fiscal year-end.

Past-due accounts are reviewed annually, and uncollectible balances are written off in July when deemed uncollectible. The Organization uses the direct write-off method for such accounts. Management has determined that the use of the direct write-off method does not have a material effect on the financial statements.

CASH EQUIVALENTS

The Organization considers all highly liquid investments, except for those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

IN-KIND CONTRIBUTIONS

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair market value of certain in-kind donations as an expense in its financial statements, and similarly increase revenue and other support by a like amount. For the years ended December 31, 2025 and 2024, this adjustment amounted to approximately \$623,779 and \$622,666, respectively.

The Organization records in-kind contributions in accordance with generally accepted accounting principles (GAAP). Donated services are recognized as contribution revenue and expense only if the services either (1) create or enhance nonfinancial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would otherwise need to be purchased if not donated.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

IN-KIND CONTRIBUTIONS – (continued)

The recognition criteria prescribed by GAAP may differ from the reporting requirements established by the Organization’s grant funding sources. As a result, certain donated services that meet grant reporting requirements may not qualify for recognition in the financial statements, and conversely, services recognized under GAAP may be reported differently for grant compliance purposes.

Of the in-kind contributions and related expenses recognized in the Statement of Activities, contributed services that met the recognition criteria of the aforementioned accounting standard amounted to \$616,072 and \$611,666, respectively, for the Head Start program, and \$7,707 and \$10,585, respectively, for the Foster Grandparent Program. During 2025 and 2024, the Organization also received other in-kind contributions totaling \$803,539 and \$783,362, respectively, related to its Head Start program, which includes services from non-professional volunteers which are not recorded in the Consolidated Statements of Activities.

The table below details the in-kind contributions utilized for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Head Start/Foster Grandparent in-kind		
Professional services	\$ 623,779	\$ 622,666
Total in-kind reported in financial statements	623,779	622,666
Head Start volunteer services	803,539	783,362
Total in-kind for all programs	<u>\$ 1,427,318</u>	<u>\$ 1,406,028</u>

LEASES

Lessees are required to recognize right-of-use assets and right-of-use lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

The Organization has elected to use the following practical expedients in implementing the new standard:

Package of Practical Expedients: Allows the Organization to not reassess (1) lease classification for any expired or existing leases, (2) whether any existing contract contains a lease assuming the lessee has accounted for leases accurately under ASC 840, and (3) any initial direct costs for any existing leases.

Risk-Free Rate Policy: allows the lessee to avoid having to calculate an incremental borrowing rate to avoid unnecessary cost and complexity.

Short-Term Lease Practical Expedient: allows any lease with a term of 12 months or less to be excluded from treatment under the guidance of ASC 842.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 11, 2026, which is the date the financial statements were available to be issued.

NOTE 2 – CASH

Cash held by the Subsidiaries includes amounts restricted for tenant security deposits and required reserves. The following is the composition of total cash for the year end December 31:

<u>2025</u>	<u>CAPE</u>	<u>CAPE Place, LLC</u>	<u>Brumfield Place, LP</u>	<u>Total</u>
Cash of operations	\$ 2,331,529	\$ 126,784	\$ 10,158	\$ 2,468,471
Tenant security deposits	-	19,348	12,056	31,404
Escrow deposits	-	-	2,983	2,983
Replacement reserves	-	40,602	118,215	158,817
Operating reserves	-	27,577	-	27,577
	<u>\$ 2,331,529</u>	<u>\$ 214,311</u>	<u>\$ 143,412</u>	<u>\$ 2,689,252</u>
<u>2024</u>	<u>CAPE</u>	<u>CAPE Place, LLC</u>	<u>Brumfield Place, LP</u>	<u>Total</u>
Cash of operations	\$ 1,798,488	\$ 126,381	\$ -	\$ 1,924,869
Tenant security deposits	-	17,238	-	17,238
Replacement reserves	-	30,859	-	30,859
Operating reserves	-	52,934	-	52,934
	<u>\$ 1,798,488</u>	<u>\$ 227,412</u>	<u>\$ -</u>	<u>\$ 2,025,900</u>

NOTE 3 – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable consist primarily of amounts due from federal and state governmental agencies. Management believes the credit risk associated with these receivables is minimal due to the nature and creditworthiness of the funding sources.

The composition of grants and accounts receivable as of December 31, 2025 and 2024 consisted of:

	<u>2025</u>	<u>2024</u>
Grants receivable:		
Federal Programs (direct and pass-through)	\$ 872,775	\$ 1,340,845
State and Local Programs	14,494	1,320,961
Total grants receivable	887,269	2,661,806
Accounts receivable - tenants	72,448	26,790
Total grants and accounts receivable	<u>\$ 959,717</u>	<u>\$ 2,688,596</u>

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 4 – ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, Property, Plant, and Equipment, long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

During the year ended December 31, 2024, the Organization evaluated the carrying value of the Cody Container Homes project for potential impairment.

An independent appraisal was obtained in 2024, and management considered the appraised fair value and expected proceeds from the anticipated sale of the homes. Based on this evaluation, management determined that the carrying amount of the project exceeded its estimated recoverable value. Accordingly, the Organization recognized an impairment loss of \$253,432 during the year ended December 31, 2024.

In May 2025, the Organization completed the sale of the Cody Container Homes, which increased cash by \$164,752. Due to the carrying value of the related assets and transaction effects, the Organization recognized an accounting loss of \$130,200 during the year ended December 31, 2025.

NOTE 5 – DUE FROM AFFILIATES

During the year ended December 31, 2003, the Organization advanced funds to Southern Indiana Housing Corporation, an Indiana corporation, for start-up monies related to the design and construction of a low-income senior housing project in Southern Indiana. The funds are repayable to the Organization at the end of the project. As of December 31, 2025 and 2024, the balance due from Southern Indiana Housing Corporation was \$3,200 for both years.

During the year ended December 31, 2003, the Organization advanced funds to Brumfield Place, L.P., an Indiana limited partnership, for the operation of a 24-unit low-income housing project in Princeton, Indiana, of which the Organization is the development sponsor. The funds will be repaid from the final payment of the syndicators. As of December 31, 2025 and 2024 the balance due from Brumfield Place, L.P. was \$247,979 and \$271,551, respectively. Since the limited partnership was transferred to the Organization, the \$247,979 has been eliminated in the consolidated statement of financial position.

NOTE 6 – DEVELOPMENT FEES RECEIVABLE

In 2010, the Organization entered into an Agreement with its subsidiary, CAPE Place, LLC to develop and maintain a 28-unit low-income housing project in Princeton, Indiana. Under the agreement, CAPE is scheduled to receive development fees for its time and effort in the project's development.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 6 – DEVELOPMENT FEES RECEIVABLE – (continued)

Payments are to be made based on meeting specific milestones described in the agreement. The balance due was \$186,064 and \$186,064 as of December 31, 2025 and 2024, respectively and have been eliminated in the consolidation.

NOTE 7 – NOTES RECEIVABLE

The Organization has entered into a real estate mortgage agreement with its' subsidiary; Brumfield Place, L.P.; an Indiana limited partnership, dated March 15, 2002, in the principal amount of \$225,000. The mortgage matured on December 21, 2018, and was payable in full at maturity along with any accrued interest. The note bears interest at a rate of 0.0% per annum. As of December 31, 2025 and 2024, the mortgage balance remained at \$225,000. The Organization is currently evaluating its options whether to extend or forgive this note. With the Organization acquiring the limited partnership interest in 2025, the \$225,000 was eliminated on the statement of financial position upon consolidation.

The Organization under the signature of its affiliate, Southern Indiana Housing Corporation, has entered into a forgivable note receivable agreement with Paradise Estates Apartments, an Indiana not-for-profit, in the principal amount of \$633,300. The note matures in March 2045 and is forgiven if the apartments are used for affordable housing. The note bears interest at a rate of 0.0% per annum. As of December 31, 2025 and 2024, the note balance remained at \$633,300.

The Organization under the signature of its affiliate, Southern Indiana Housing Corporation, has entered into a forgivable note receivable agreement with Paradise Estates Apartments, an Indiana not-for-profit, in the principal amount of \$150,000. The note matured in March 2020 and was forgiven as of December 31, 2024.

The Organization under the signature of its affiliate, Southern Indiana Housing Corporation, has entered into a forgivable note receivable agreement with Paradise Estates Apartments, an Indiana not-for-profit, in the principal amount of \$64,170. The note matured in March 2020 and was forgiven as of December 31, 2024.

In 2023 the Organization advanced Southern Indiana Housing Corporation \$148,959. The balance as of December 31, 2025 and 2024 was \$111,258 and \$115,784, respectively.

NOTE 8 –LEASES

The Organization leases various facilities, copiers, and a vehicle for program operations under operating lease agreements.

Facility lease agreements for classroom and off-site space expire at various dates between 2023 and 2026 and require minimal cash outlays.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 8 –LEASES – (continued)

The lease for the Organization's primary location is a ten-year agreement that expires in October 2031 and includes escalating monthly rental payments ranging from \$12,968 to \$17,913. They expanded into additional space at this primary location in May 2025, with rental payments of \$2,098 to \$2,518.

In November 2023, the Organization entered into an additional lease for commercial property with monthly rental payments of \$4,185 through October 2028. The Organization also leases copiers through March 2027 for \$2,813 per month and a vehicle through November 2025 for \$500 per month.

The following is a schedule by years of minimum future payment on the operating leases and the amortization of the net present value of the lease liability as of December 31, 2025.

Year ending December 31:	<u>Minimum annual lease payments</u>	<u>Amortization of NPV of lease liability</u>
2026	298,475	272,096
2027	277,819	257,834
2028	267,743	253,962
2029	232,697	223,936
2030	219,357	214,700
Thereafter	179,129	177,839
	<u>\$ 1,475,220</u>	<u>\$ 1,400,367</u>

The net accumulated basis, weighted remaining lease term, and discount rate are as follows as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Accumulated basis	\$ 2,277,351	\$ 2,165,051
Less accumulated amortization	<u>(960,558)</u>	<u>(702,755)</u>
	<u>\$ 1,316,793</u>	<u>\$ 1,462,296</u>
Weighted-average remaining lease term in years	4.97	5.95
Weighted-average discount rate	2.06%	1.95%

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 – BRUMFIELD PLACE L.P. AND PARADISE ESTATES APARTMENTS

Brumfield Place, L.P. (the "Project") was organized as a limited partnership in March 2002 to construct, own, and operate a 24-unit apartment complex in Princeton, Indiana. The Project has been allocated low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code ("Section 42"), which imposes various restrictions and requirements, including tenant eligibility and maximum rental rates.

At inception, the General Partner of the Partnership was CAPE Development Corporation ("General Partner") with 0.01% interest. The Limited Partner was U.S.A Institutional Tax Credit Fund XXVIII L.P. ("Investor Limited Partner") with 99.98% interest. The Special Limited partner was the Richman Group Capital Corporation ("Special Limited Partner") with 0.01%. Effective July 15, 2025, the Investor Limited Partner and the Special Limited Partner transferred their respective interests to Community Action Program of Evansville and Vanderburgh County, Inc. The Organization now owns 99.99% limited partnership interest in the Project.

The Organization obtained HOME and Affordable Housing Program (AHP) funds to initially support the development. These funds were subsequently loaned to the Project (see Note 7).

Paradise Estates Apartments (the "Secondary Project") was organized as a separate not-for-profit corporation in March 2003 to construct, own, and operate a 9-unit apartment complex in Princeton, Indiana. Through its affiliate, Southern Indiana Housing Corporation, the Organization obtained Section 202, HOME, and AHP funds to support the development. These funds were subsequently loaned to the Secondary Project (see Note 7).

As of December 31, 2025 and 2024, the Organization had not made any material contributions to the Secondary Project and had not incurred any material expenses on its behalf.

NOTE 10 – LONG-TERM DEBT

In December of 2002, the Organization assumed a promissory note with Fifth Third Bank originally dated December 2, 1996, and used by Evansville Community Services, Inc., an affiliate of the Organization, for the purchase of a commercial building. In December 2002, the Organization also assumed the title of the building. The original note was for the principal amount of \$765,000, matured on October 17, 2016, and was secured by real estate. The loan is payable in monthly installments of \$5,629 including principal and interest. The Organization assumed the remaining balance on the note of \$715,666 as of December 17, 2002. The note was refinanced in 2017 with two separate notes. One note financed at \$114,099 has an interest rate of 4.05% with payments of \$2,107 a month. This note was paid in full during 2019. The second note of \$499,375 has an interest rate of 5.01% and payments of \$3,343 per month. The second note was refinanced in December 2024 with an interest rate of 6.89% and monthly payments of \$3,664 and a final balloon payment of \$219,208 due January 12, 2031. The remaining balance on the note as of December 31, 2025 and 2024 was \$340,078 and \$359,786.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 10 – LONG-TERM DEBT – (continued)

The Organization has entered into a loan agreement with the United States Department of Agriculture, Rural Housing Service, dated February 26, 2004, in the principal amount of \$140,000 for the purpose of partially funding the construction of a new Head Start facility in Princeton, Indiana.

The loan is payable in monthly installments of \$636 beginning March 26, 2005, which includes interest of 4.5% per annum with a maturity date of February 26, 2045. The remaining balance on the note as of December 31, 2025 and 2024 was \$94,090 and \$97,407, respectively.

In 2021, the Organization entered into two separate loan agreements with Indiana Housing and Community Development Authority Development Fund. One loan of \$97,940 requires an annual payment of \$4,997. The second loan of \$163,161 requires an annual payment of \$8,324. Both loans bear interest at 3% per annum, mature in 15 years, but amortized over 30 years. The balance of these loans combined as of December 31, 2025 and 2024 were \$238,937 and \$243,892, respectively.

Brumfield Place, LP has two mortgage notes payable to USDA Rural Development. The combined original amounts of the notes were \$812,160. The mortgage notes are payable in monthly installments of \$4,276 including interest at 6.0% through November 14, 2033. In addition, monthly deposits in separate mortgage escrows maintained by the mortgagor for taxes, insurance, and replacement of depreciable assets are required. Substantially all the rental property and equipment is pledged as collateral on the mortgage. No partner is personally liable on the mortgage note. The United States Department of Agriculture is providing assistance in the form of interest credits to reduce the effective interest rate to 1.0% per annum.

The future maturities of long-term debt are as follows for the years ended December 31:

<u>Year</u>	<u>CAPE</u>	<u>Brumfield Place, LP</u>	<u>Total</u>
2026	\$ 31,378	\$ 9,549	\$ 40,927
2027	32,527	9,997	42,524
2028	34,496	10,466	44,962
2029	36,594	10,957	47,551
2030	38,829	11,471	50,300
Thereafter	499,981	635,544	1,135,525
	<u>\$ 673,805</u>	<u>\$ 687,984</u>	<u>\$ 1,361,789</u>

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 10 – LONG-TERM DEBT – (continued)

Other notes payable per Notes 7 and 11 are as follow:

CAPE:	
AHP loan	\$ 400,000
Section 202	633,300
CAPE Place, LLC:	
Section 1602	<u>246,630</u>
Total notes payable	<u>\$ 2,641,719</u>

Interest expense amounted to \$36,124 and \$37,087 for the years ended December 31, 2025 and 2024, respectively.

NOTE 11 – NOTES PAYABLE – HOME, AHP AND SECTION 1602 FUNDS

The Organization, through its affiliate, Southern Indiana Housing Corporation, entered into an agreement with the Department of Metropolitan Development of the City of Evansville, Indiana, for the use of \$150,000 in HOME funds for the development of Paradise Estates Apartments. In addition, the Organization entered into an agreement with the Federal Home Loan Bank for the use of \$64,170 in Affordable Housing Program (AHP) funds for the same development.

Both loans had an initial term of 20 years and matured in August 2022. As of December 31, 2024, both notes payable had been forgiven.

The Organization, through its subsidiary, CAPE Place, LLC, entered into an agreement with the Indiana Housing and Community Development Authority (IHCDA) for the use of \$3,026,140 in ARRA Section 1602 Exchange Program funds for the development of 28 units of low-income housing. The note is forgivable in fifteen equal annual installments over the 15-year term of the loan, beginning on the first anniversary of the earlier of December 1, 2011, or the date the project was placed in service. The note bears interest at 0.0% per annum.

As of December 31, 2025 and 2024, the note balance was \$246,630 and \$448,373, respectively.

The Organization also entered into an agreement with the Indiana Housing and Community Development Authority for \$400,000 of Community Development Block Grant Disaster Relief II (CDBG-DR II) funds to support the development of 28 units of low-income housing. The note bears interest at 0.0% per annum and matures on November 24, 2027.

As of December 31, 2025 and 2024, the outstanding balance of the note was \$400,000 in both years.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 – CONTINGENT LIABILITY

The Organization administers several programs that provide funding for the purchase, construction, and rehabilitation of owner-occupied homes and rental properties.

These programs include the Federal Home Loan Bank Homeownership Opportunities Program (HOP), Department of Metropolitan Development Down Payment Assistance Program, Indiana Housing and Community Development Authority (IHCDA) Owner-Occupied Rehabilitation Program, Department of Metropolitan Development Buy/Rehab/Resale Program, Department of Metropolitan Development Home Money Program, IHCDA HOME Investment Partnerships Program for rental new construction, and IHCDA Housing Education Counseling/Down Payment Assistance Program.

Under these programs, eligible low-income individuals may receive assistance for down payments, repairs, and improvements to owner-occupied residences, as well as assistance related to HOME-assisted rental housing units. For owner-occupied properties, the Organization records a mortgage receivable equal to the amount of assistance provided to each homeowner. These mortgages are generally forgivable, provided the homeowner continues to own and occupy the property for the required compliance period. Forgiveness periods vary by program and generally range from three to fifteen years.

As of December 31, 2025, the Organization held 22 mortgages with a total balance of \$543,571.

In 2015, the Organization constructed three rental properties in Oakland City, Indiana, utilizing \$253,000 of HOME funds. These properties are subject to a 20-year affordability period that requires rents charged to qualifying tenants to be affordable under HOME program requirements. If any property is transferred, foreclosed upon, or ceases to be occupied by qualified tenants during the affordability period, the entire amount secured by the related lien, without interest, may become immediately due and payable.

Because the forgivable loans bear no interest and repayment is contingent upon future events, the amount and timing of any future collections cannot be reasonably estimated. Although the mortgages are secured by liens on the related properties, the Organization may be required to repay governmental funds associated with these programs if homeowners fail to satisfy applicable occupancy requirements. The ultimate amount of any such obligation, if any, cannot presently be determined. Accordingly, no liability has been recorded in the accompanying financial statements related to these contingencies.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 – EMPLOYEE BENEFITS

The Organization has a 401(k) plan. The Organization provides contributions up to a maximum amount of 1% of employee compensation. Contributions to the plan are made for all permanent employees starting from the date of employment. Employee benefit expense under this plan was approximately \$205,398 and \$173,529 for the years ended December 31, 2025 and 2024, respectively.

NOTE 14 – INDIVIDUAL DEVELOPMENT ACCOUNTS

The Organization maintains multiple Individual Development Accounts (IDA's) with commercial banks. IDAs are matched savings accounts that enable low-income American families to save, build assets, and enter the financial mainstream. The total cash balance in those accounts amounted to \$62,476 and \$83,397 for the years ended December 31, 2025 and 2024. These balances are not included in the Organization's financial statements.

NOTE 15 – CONCENTRATION OF RISK

The Organization maintains its cash balances in several banks. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2025 and 2024. At times throughout the year, the balance in these accounts may exceed these limits. At December 31, 2025 and 2024, the Organization had uninsured bank balances of \$1,681,523 and \$1,299,248, respectively.

Revenues from federal and state government agencies that provide grant and contract funding to the Organization represented 92% and 95% of the Organization's total revenue and support for the years ended December 31, 2025 and 2024, respectively.

NOTE 16 – INFORMATION ABOUT LIQUIDTY

The financial assets reported in the consolidated statement of financial position of Community Action Program of Evansville and Vanderburgh County, Inc. and Subsidiaries consist primarily of cash and receivables.

Certain cash balances are subject to contractual or regulatory restrictions and are not available for general operating purposes. Specifically, funds related to reserves and tenant security deposits associated with Cape Place are required to be maintained separately and are available only for their designated purposes.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 16 – INFORMATION ABOUT LIQUIDTY – (continued)

Management monitors its liquidity needs through the maintenance of adequate cash balances and the collection of receivables and seeks to ensure that sufficient financial assets are available to meet general expenditures and operating obligations as they become due.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,689,252	\$ 2,025,900
Grants, and accounts receivables	959,717	2,963,347
Notes receivable	<u>1,042,575</u>	<u>974,084</u>
Total financial assets	4,691,544	5,963,331
Less:		
Restricted cash separate from cash	(189,377)	(83,793)
Tenant security deposits held in trust	(31,404)	(17,238)
Due from related parties	(3,200)	(274,751)
Notes receivable - long term	<u>(1,042,575)</u>	<u>(974,084)</u>
Total financial assets available for operations within the next year	<u>\$ 3,424,988</u>	<u>\$ 4,613,465</u>

NOTE 17 – SELF-FUNDED HEALTH PLAN

In 2024, the Organization implemented a self-funded employee health plan administered by a third-party claims processor. The plan also includes stop-loss insurance coverage provided through a captive investment group for multiple self-funded health plan participants. The Organization has an investment for the captive buy-in of \$90,548 and \$42,224 for the years ended December 31, 2025 and 2024, respectively. The investment is recorded at cost. The captive stop-loss carrier limits individual participant claims to \$50,000 per plan year.

As part of this arrangement, the Organization invested \$50,000 into the captive to purchase the stop-loss coverage. This amount is recorded as an asset on the statement of financial position. In addition, the Organization has recorded an incurred but not reported (IBNR) claims liability for estimated medical claims incurred but not filed as of year-end, based on information provided by the claims processor. As of December 31, 2025 and 2024, this estimate amounted to \$238,705 and \$238,230, respectively.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors

Community Action Program of Evansville and Vanderburgh County, Inc. and Subsidiaries
Evansville, Indiana

We have audited the consolidated financial statements of Community Action Program of Evansville and Vanderburgh County, Inc. and Subsidiaries as of and for the years ended December 31, 2025 and 2024, and our report thereon dated September 11, 2026, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information (shown on pages 28 through 31) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
September 11, 2026

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	ASSETS									
	2025					2024				
	Parent Without Donor Restrictions	Subsidiary Cape Place, LLC	Subsidiary Brumfield Place, LP	Eliminations	Consolidated Total	Parent Without Donor Restrictions	Subsidiary Cape Place, LLC	Eliminations	Consolidated Total	
Current assets										
Cash and cash equivalents	\$ 2,331,529	\$ 214,311	\$ 143,412	\$ -	\$ 2,689,252	\$ 1,798,488	\$ 227,412	\$ -	\$ 2,025,900	
Grants and accounts receivable	887,269	32,385	40,063	-	959,717	2,661,806	26,790	-	2,688,596	
Due from CAPE Place, LLC	220,890	-	-	(220,890)	-	221,758	-	(221,758)	-	
Prepaid expenses	150,233	21,127	32,402	-	203,762	105,282	25,259	-	130,541	
Total current assets	3,589,921	267,823	215,877	(220,890)	3,852,731	4,787,334	279,461	(221,758)	4,845,037	
Property and equipment										
Land	263,544	60,000	29,774	-	353,318	263,544	60,000	-	323,544	
Vehicles and equipment	1,522,682	174,057	-	-	1,696,739	1,486,807	174,057	-	1,660,864	
Buildings and improvements	3,235,887	3,441,037	845,226	-	7,522,150	3,241,937	3,441,037	-	6,682,974	
Construction in progress	-	-	-	-	-	310,000	-	-	310,000	
	5,022,113	3,675,094	875,000	-	9,572,207	5,302,288	3,675,094	-	8,977,382	
Less accumulated depreciation	(2,185,005)	(1,396,943)	(192,096)	-	(3,774,044)	(1,942,175)	(1,307,275)	-	(3,249,450)	
Total property and equipment, net	2,837,108	2,278,151	682,904	-	5,798,163	3,360,113	2,367,819	-	5,727,932	
Other assets										
Development fees receivable	186,064	-	-	(186,064)	-	186,064	-	(186,064)	-	
Due from Southern Indiana Housing Corp.	3,200	-	-	-	3,200	3,200	-	-	3,200	
Due from Brumfield Place, L.P.	247,979	-	-	(247,979)	-	271,551	-	-	271,551	
Investment in Brumfield Place, L.P.	168,185	-	-	(12,000)	156,185	156,185	-	-	156,185	
Investment in Subsidiary	1,787,574	-	-	(1,487,574)	300,000	1,383,843	-	(1,383,843)	-	
Investment in captive buy-in	90,548	-	-	-	90,548	42,224	-	-	42,224	
Beneficial interest in Community Foundation	10,000	-	-	-	10,000	-	-	-	-	
Notes receivable - Brumfield Place, L.P.	225,000	-	-	(225,000)	-	225,000	-	-	225,000	
Notes receivable - Paradise Estates Apartments	742,575	-	-	-	742,575	749,084	-	-	749,084	
Notes receivable - Cape Place LLC	400,000	-	-	(400,000)	-	400,000	-	(400,000)	-	
Right-of-use asset - operating	1,316,793	-	-	-	1,316,793	1,462,296	-	-	1,462,296	
Capitalized costs, net	-	13,140	-	-	13,140	-	23,651	-	23,651	
Total other assets	5,177,918	13,140	-	(2,558,617)	2,632,441	4,879,447	23,651	(1,969,907)	2,933,191	
	<u>\$ 11,604,947</u>	<u>\$ 2,559,114</u>	<u>\$ 898,781</u>	<u>\$ (2,779,507)</u>	<u>\$ 12,283,335</u>	<u>\$ 13,026,894</u>	<u>\$ 2,670,931</u>	<u>\$ (2,191,665)</u>	<u>\$ 13,506,160</u>	

See accompanying notes to consolidated financial statements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2025 AND 2024**

	LIABILITIES AND NET ASSETS								
	2025					2024			
	Parent Without Donor Restrictions	Subsidiary Cape Place, LLC	Subsidiary Brumfield Place, LP	Eliminations	Consolidated Total	Parent Without Donor Restrictions	Subsidiary Cape Place, LLC	Eliminations	Consolidated Total
Current liabilities									
Accounts payable	\$ 110,649	\$ 224,504	\$ 10,010	\$ (241,256)	\$ 103,907	\$ 199,699	\$ 236,381	\$ (221,758)	\$ 214,322
Accrued payroll and payroll expenses	397,559	-	-	-	397,559	304,504	-	-	304,504
Other current liabilities	-	-	14,240	-	14,240	-	-	-	-
Self-funded insurance liability	238,705	-	-	-	238,705	238,230	-	-	238,230
Deferred revenue and deposits	28,670	14,342	10,156	-	53,168	-	16,270	-	16,270
Developer fees due to CAPE	-	186,064	-	(186,064)	-	-	186,064	(186,064)	-
Lease liability operating - current portion	272,096	-	-	-	272,096	247,593	-	-	247,593
Current maturities of long-term debt	31,378	-	9,549	-	40,927	29,641	-	-	29,641
Total current liabilities	1,079,057	424,910	43,955	(427,320)	1,120,602	1,019,667	438,715	(407,822)	1,050,560
Long-term liabilities									
Note payable - AHP Funds	400,000	400,000	-	(400,000)	400,000	400,000	400,000	(400,000)	400,000
Note payable - HOME Funds	-	-	225,000	(225,000)	-	-	-	-	-
Note payable - Section 202	633,300	-	-	-	633,300	633,300	-	-	633,300
Note Payable - Section 1602	-	246,630	-	-	246,630	-	448,373	-	448,373
Notes payable - other, less current maturities	642,427	-	-	-	642,427	672,143	-	-	672,143
Advances from related parties	-	-	239,613	(239,613)	-	-	-	-	-
Mortgage Payable, net of current maturities	-	-	678,435	-	678,435	-	-	-	-
Lease liability - operating, less current portion	1,128,271	-	-	-	1,128,271	1,287,236	-	-	1,287,236
Total long-term liabilities	2,803,998	646,630	1,143,048	(864,613)	3,729,063	2,992,679	848,373	(400,000)	3,441,052
Total liabilities	3,883,055	1,071,540	1,187,003	(1,291,933)	4,849,665	4,012,346	1,287,088	(807,822)	4,491,612
Net assets									
Without donor restrictions	7,685,892	1,487,574	(288,222)	(1,487,574)	7,397,670	9,014,548	1,383,843	(1,383,843)	9,014,548
With donor restrictions	36,000	-	-	-	36,000	-	-	-	-
Total net assets	7,721,892	1,487,574	(288,222)	(1,487,574)	7,433,670	9,014,548	1,383,843	(1,383,843)	9,014,548
Total liabilities and net assets	\$ 11,604,947	\$ 2,559,114	\$ 898,781	\$ (2,779,507)	\$ 12,283,335	\$ 13,026,894	\$ 2,670,931	\$ (2,191,665)	\$ 13,506,160

See Independent Auditor's Report on Supplementary Information

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025						2024			
	Parent		Subsidiary	Subsidiary			Parent	Subsidiary		
	Without Donor	With Donor	Cape	Brumfield		Consolidated	Without Donor	Cape	Eliminations	Consolidated
	Restrictions	Restrictions	Place, LLC	Place, LP	Eliminations	Total	Restrictions	Place, LLC		Total
Support and revenue										
Grant revenue	\$ 13,437,097	\$ 36,000	\$ -	\$ -	\$ -	\$ 13,473,097	\$ 16,194,286	\$ -	\$ -	\$ 16,194,286
Contributions	52,877	-	-	-	-	52,877	58,655	-	-	58,655
Program revenue	19,025	-	-	-	-	19,025	100,467	-	-	100,467
Rent income	-	-	184,350	119,994	-	304,344	-	171,777	-	171,777
Other	128,537	-	4,258	3,430	-	136,225	85,073	-	-	85,073
Earnings from subsidiary	403,731	-	-	-	(103,731)	300,000	81,107	-	(81,107)	-
Interest	40,726	-	532	16,216	-	57,474	14,976	517	-	15,493
Forgiveness of debt	-	-	201,742	-	-	201,742	214,170	201,743	-	415,913
Gain (loss) on sale/valuation of property	(102,813)	-	-	-	-	(102,813)	(252,982)	-	-	(252,982)
In-kind contributions	623,779	-	-	-	-	623,779	622,666	-	-	622,666
Total support and revenue before net assets released from restriction	14,602,959	36,000	390,882	139,640	(103,731)	15,065,750	17,118,418	374,037	(81,107)	17,411,348
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-
Total support and revenue	14,602,959	36,000	390,882	139,640	(103,731)	15,065,750	17,118,418	374,037	(81,107)	17,411,348
Expenses										
Childhood education	7,971,938	-	-	-	-	7,971,938	7,685,703	-	-	7,685,703
Child care	1,509,882	-	-	-	-	1,509,882	1,487,918	-	-	1,487,918
Nutrition	438,286	-	-	-	-	438,286	399,049	-	-	399,049
Literacy	102,067	-	-	-	-	102,067	85,264	-	-	85,264
Senior volunteer	175,477	-	-	-	-	175,477	180,185	-	-	180,185
Utility assistance	3,024,259	-	-	-	-	3,024,259	3,404,724	-	-	3,404,724
Housing assistance	734,034	-	-	-	-	734,034	1,382,923	-	-	1,382,923
Home weatherization assistance	684,222	-	-	-	-	684,222	672,308	-	-	672,308
Emergency family service	5,467	-	-	-	-	5,467	9,305	-	-	9,305
Management and general	1,285,983	-	-	-	-	1,285,983	1,105,418	-	-	1,105,418
Subsidiary	-	-	287,151	135,626	-	422,777	-	292,930	-	292,930
Total operating expenses	15,931,615	-	287,151	135,626	-	16,354,392	16,412,797	292,930	-	16,705,727
Increase (decrease) in net assets	(1,328,656)	36,000	103,731	4,014	(103,731)	(1,288,642)	705,621	81,107	(81,107)	705,621
Net assets at beginning of year	9,014,548	-	1,383,843	-	(1,383,843)	9,014,548	8,308,927	1,302,736	(1,302,736)	8,308,927
Net assets of Brumfield transferred in	-	-	-	(292,236)	-	(292,236)	-	-	-	-
Net assets at end of year	\$ 7,685,892	\$ 36,000	\$ 1,487,574	\$ (288,222)	\$ (1,487,574)	\$ 7,433,670	\$ 9,014,548	\$ 1,383,843	\$ (1,383,843)	\$ 9,014,548

See Independent Auditor's Report on Supplementary Information

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025					2024				
	Parent	Subsidiary Cape Place	Subsidiary Brumfield Place	Eliminations	Total Consolidated	Parent	Subsidiary Cape Place	Eliminations	Total Consolidated	
CASH FLOWS FROM OPERATING ACTIVITIES:										
Change in net assets	\$ (1,292,656)	\$ 103,731	\$ 4,014	\$ (103,731)	\$ (1,288,642)	\$ 705,621	\$ 81,107	\$ (81,107)	\$ 705,621	
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:										
Depreciation	260,926	89,668	20,527	-	371,121	263,029	91,605	-	354,634	
Amortization	-	10,511	-	-	10,511	-	10,511	-	10,511	
(Gain) loss on sale/valuation of property	127,682	-	-	-	127,682	252,982	-	-	252,982	
Bad debt expense	5,553	-	-	-	5,553	627,071	-	-	627,071	
Earnings on subsidiary	(403,731)	-	-	103,731	(300,000)	(81,107)	-	81,107	-	
Forgiveness of debt	-	(201,743)	-	-	(201,743)	(214,170)	(201,742)	-	(415,912)	
Increase (decrease) in cash from changes in:										
Grants and accounts receivable	1,768,984	(5,595)	(11,231)	-	1,752,158	(1,252,277)	14,245	-	(1,238,032)	
Prepaid expenses	(44,951)	4,132	(19,919)	-	(60,738)	22,665	2,068	-	24,733	
Right-of-use asset - operating	145,503	-	-	-	145,503	245,081	-	-	245,081	
Accounts payable	(89,050)	(11,877)	(25,567)	-	(126,494)	(18,124)	23,209	-	5,085	
Accrued expenses	93,055	-	2,156	-	95,211	(199,766)	-	-	(199,766)	
Self-funded insurance liability	475	-	-	-	475	238,230	-	-	238,230	
Deferred revenue and deposits	28,670	(1,928)	540	-	27,282	(7,830)	(998)	-	(8,828)	
Lease liability - operating	(134,462)	-	-	-	(134,462)	(229,249)	-	-	(229,249)	
Net cash provided by (used in) operating activities	465,998	(13,101)	(29,480)	-	423,417	352,156	20,005	-	372,161	
CASH FLOWS FROM INVESTING ACTIVITIES:										
Advances to related parties	30,949	-	(7,780)	-	23,169	(310,972)	-	-	(310,972)	
Proceeds from sale of property and equipment	239,973	-	-	-	239,973	450	-	-	450	
Investment in Brumfield Place	(12,000)	-	-	-	(12,000)	-	-	-	-	
Investment in captive buy-in	(48,324)	-	-	-	(48,324)	(42,224)	-	-	(42,224)	
Investment in Community Foundation	(10,000)	-	-	-	(10,000)	-	-	-	-	
Purchases of property and equipment and CIP	(105,575)	-	-	-	(105,575)	(188,892)	-	-	(188,892)	
Net cash provided by (used in) investing activities	95,023	-	(7,780)	-	87,243	(541,638)	-	-	(541,638)	
CASH FLOWS FROM FINANCING ACTIVITIES:										
Repayment of notes payable	(27,979)	-	(3,856)	-	(31,835)	(30,248)	-	-	(30,248)	
Net cash provided by (used in) financing activities	(27,979)	-	(3,856)	-	(31,835)	(30,248)	-	-	(30,248)	
NET INCREASE (DECREASE) IN CASH	533,042	(13,101)	(41,116)	-	478,825	(219,730)	20,005	-	(199,725)	
CASH, BEGINNING OF YEAR	1,798,488	227,412	-	-	2,025,900	2,018,218	207,407	-	2,225,625	
Brumfield Place transfer of ownership	-	-	184,528	-	184,528	-	-	-	-	
CASH, END OF YEAR	\$ 2,331,530	\$ 214,311	\$ 143,412	\$ -	\$ 2,689,253	\$ 1,798,488	\$ 227,412	\$ -	\$ 2,025,900	
Supplemental Disclosures of Cash Flow Information										
Cash paid during the year for interest	\$ 36,124	\$ -	\$ 5,794	\$ -	\$ 41,918	\$ 37,087	\$ -	\$ -	\$ 37,087	

See Independent Auditor's Report on Supplementary Information

SINGLE AUDIT SECTION

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025**

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal Assistance Listing Number	Grant or Identifying Number	Grant Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Indiana Department of Education: Child and Adult Care Food Program	10.558	1820162	n/a	\$ 419,110
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the City of Evansville - Department of Metropolitan Development: Community Development Block Grant	14.218	20245122	12,000	12,000
HOME Investment Partnerships Program	14.239	M-20-MC-18-0201	293,272	10,000
HOME Investment Partnerships Program	14.239	25077272-439050	44,900	900
HOME Investment Partnerships Program	14.239	22267328-439050	45,635	45,635
HOME Investment Partnerships Program	14.239	22267328-439050	24,460	24,460
Subtotal				80,995
Direct Program: Section 202 Capital Grant - Paradise Estates	14.157	073-EE081-NP-WAH	633,300 *	633,300
Total U.S. Department of Housing and Urban Development				726,295
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program: Head Start Program	93.600	05CH011792-05	7,010,142	3,700,796
Head Start Program	93.600	05CH013237-01-00	6,950,292	3,113,017
Subtotal Head Start cluster				6,813,813
Passed through the Indiana Housing and Community Development Authority (IHCDA): Community Services Block Grant	93.569	CS-024-010	391,300	34,500
Community Services Block Grant	93.569	CS-025-010	401,939	313,200
Subtotal				347,700
Low-Income Home Energy Assistance	93.568	LI-025-010	3,072,408	2,890,801
Low-Income Home Energy Assistance	93.568	LI-026-010	2,187,121	324,682
Low-Income Home Energy Assistance	93.568	WL-025-010	280,918	4,110
Subtotal				3,219,593
Total U.S. Department of Health and Human Services				\$ 10,381,106

See accompanying notes to Schedule of Expenditures of Federal Awards.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

FEDERAL GRANTOR AGENCY	Federal	Grant or	Grant	
Passthrough Agency	Assistance Listing	Identifying	Award	Federal
Program Title	Number	Number	(in dollars \$)	Expenditures
U.S. DEPARTMENT OF ENERGY				
Passed through the Indiana Housing and Community Development Authority (IHCDA):				
Weatherization Assistance for Low-Income Persons	81.042	WX-023-010	350,120	\$ 31,871
Weatherization Assistance for Low-Income Persons	81.042	WX-024-010	418,127	56,041
Weatherization Assistance for Low-Income Persons	81.042	WX-025-010	363,636	41,563
Weatherization Assistance for Low-Income Persons	81.042	BIL-WX-022-010	793,400	240,805
				<u>370,280</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct				
Foster Grandparent Program	94.011	21SFCIN003	230,097	86,140
Foster Grandparent Program	94.011	24SF263577	203,776	80,152
				<u>166,292</u>
Total Expenditures of Federal Awards				<u>\$ 12,063,083</u>

* Represents loan balances with continuing compliance requirements

See accompanying notes to Schedule of Expenditures of Federal Awards.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025**

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Community Action Program of Evansville and Vanderburgh County, Inc. and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Energy Assistance Payments

The expenditures reported under Assistance Listing (ALN) No. 93.568, Energy Assistance Payments, include \$2,648,556 in energy assistance payments that were disbursed by the Indiana Housing and Community Development Authority on behalf of the Organization during the year ended December 31, 2025.

Note 4 - Indirect Cost Rate

Community Action Program of Evansville has elected not to use the de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 – Loans

Community Action Program of Evansville and Vanderburgh County, Inc. has a \$633,300 Section 202 Capital Advance. The loan is non-interest bearing and has continuing compliance requirements.

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
YEAR ENDED DECEMBER 31, 2025**

GRANTOR AGENCY Passthrough Agency Program Title	Grant or Identifying Number	Grant Award (in dollars \$)	State and Local Expenditures
Passed through the Indiana Minority Health Coalition, Inc. (IMHC):			
Minority Health Initiative	none	100,000	\$ 58,526
Minority Health Initiative	none	100,000	39,932
			<u>98,458</u>
Total Expenditures of State and Local Awards			<u>\$ 98,458</u>

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2025**

Section II - Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2024.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended December 31, 2024.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Community Action Program of Evansville and Vanderburgh County, Inc.

We have audited, 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, the consolidated financial statements of the Community Action Program of Evansville and Vanderburgh County, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon September 11, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Community Action Program of Evansville and Vanderburgh County, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Action Program of Evansville and Vanderburgh County, Inc.'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 the organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Program of Evansville and Vanderburgh County, Inc.'s financial statements are free of 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 results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

September 11, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Community Action Program of Evansville and Vanderburgh County, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Action Program of Evansville and Vanderburgh County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Community Action Program of Evansville and Vanderburgh County, Inc.'s major federal programs for the year ended December 31, 2025. Community Action Program of Evansville and Vanderburgh County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Action Program of Evansville and Vanderburgh County, 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 for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
September 11, 2026

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ☐ No ☒
- Significant deficiencies identified? Yes ☐ No ☒

Noncompliance material to financial statements noted? Yes ☐ No ☒

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes ☐ No ☒
- Significant deficiencies identified? Yes ☐ No ☒

Type of auditor's report issued: Unmodified

Any audit findings disclosed required to be reported in
Accordance with 2 CFR section 200.516(a) Yes ☐ No ☒

Programs tested as major programs:

<u>FAL Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	U.S. Dept. of Health and Human Services – Head Start
93.569	U.S. Dept. of Health and Human Services – Community Services Block Grant

Dollar threshold used to distinguish between type A and type B programs \$1,000,000

Auditee qualified as low-risk auditee? Yes ☒ No ☐

**COMMUNITY ACTION PROGRAM OF EVANSVILLE
AND VANDERBURGH COUNTY, INC., AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section II - Financial Statement Findings

There was no financial statement findings for the year ended December 31, 2025.

Section III - Federal Award Findings and Questioned Costs

There was no federal award findings for the year ended December 31, 2025.