INTEND INDIANA, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended December 31, 2022 and 2021

Donovan CPAs

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Independent Auditors' Report

The Board of Directors
Intend Indiana, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Intend Indiana, Inc. and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Intend Indiana, Inc. and Affiliates as of December 31, 2022 and 2021 and the consolidated changes in its net assets, functional expenses, and 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Intend Indiana, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements 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 Intend Indiana, Inc. and Affiliates' ability to continue as a going concern for one year after the date the financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report including our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, 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 GAAS and *Government Auditing Standards*, we:

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of expenditures of federal awards and notes thereto, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Likewise, the consolidating schedules on pages 24 through 27 are presented for the purpose of additional analysis and are 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 audits 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2023 on our consideration of Intend Indiana, Inc. and Affiliates' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Intend Indiana, Inc. and Affiliates' internal control over financial reporting and compliance.

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Donovan

Indianapolis, Indiana
June 1, 2023

INTEND INDIANA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash	$ 10,831,366	$ 13,250,903
Cash - restricted	30,388	30,793
Receivables:		
Grants	962,442	925,160
Other	129,134	445
Prepaid expenses	79,307	55,943
Notes receivable - corporate, net of allowance	9,100,295	7,411,579
Notes receivable - personal, net of allowance	6,888,787	4,669,231
Investments	1,245,969	-
Investments in real estate	1,063,290	1,930,385
Rental real estate, net	512,340	538,954
Property and equipment, net	10,611	15,339
Right of use assets - operating leases	201,113	-
TOTAL ASSETS	$ 31,055,042	$ 28,828,732
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 479,786	$ 804,685
Accrued payroll and benefits	131,904	104,042
Notes payable	4,961,884	3,188,877
Less: unamortized debt issuance costs	(22,448)	(32,403)
Grant obligations payable	50,000	50,000
Security deposits	9,090	9,090
Refundable advances	1,006,913	3,381,616
Operating lease liabilities	201,113	-
Total liabilities	6,818,242	7,505,907
NET ASSETS		
Without donor restrictions:		
Board-designated	1,250,000	4,635,869
Undesignated	22,555,860	16,074,878
With donor restrictions	430,940	612,078
Total net assets	24,236,800	21,322,825
TOTAL LIABILITIES AND NET ASSETS	$ 31,055,042	$ 28,828,732

See independent auditors' report and accompanying notes to the consolidated financial statements

INTEND INDIANA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS						
Federal awards	$ 4,059,197	$ 61,000	$ 4,120,197	$ 2,422,507	$ 547,880	$ 2,970,387
State and local grants	1,489,107	203,000	1,692,107	2,290,758	37,463	2,328,221
Developer fees	403,095	-	403,095	672,166	-	672,166
Interest income from notes receivable	764,288	-	764,288	614,102	-	614,102
Rental income	124,526	-	124,526	117,714	-	117,714
Contributions	254,800	3,658	258,458	73,163	-	73,163
Loan origination fees	79,217	-	79,217	11,880	-	11,880
Property management fees	5,100	-	5,100	5,100	-	5,100
Other income	69,039	-	69,039	19,326	-	19,326
Sales of real estate:						
Proceeds from sales	3,185,501	-	3,185,501	1,749,742	-	1,749,742
Basis of property	(2,337,255)	-	(2,337,255)	(1,199,987)	-	(1,199,987)
Gain on sales of real estate	848,246	-	848,246	549,755	-	549,755
Net assets released from restrictions	448,796	(448,796)	-	459,784	(459,784)	-
Total revenue, support, and gains	8,545,411	(181,138)	8,364,273	7,236,255	125,559	7,361,814
FUNCTIONAL EXPENSES						
Program services	4,789,765	-	4,789,765	2,152,416	-	2,152,416
Management and general	604,504	-	604,504	675,768	-	675,768
Fundraising	56,029	-	56,029	55,241	-	55,241
Total functional expenses	5,450,298	-	5,450,298	2,883,425	-	2,883,425
CHANGE IN NET ASSETS FROM OPERATIONS	3,095,113	(181,138)	2,913,975	4,352,830	125,559	4,478,389
PPP NOTE PAYABLE FORGIVENESS INCOME	-	-	-	157,500	-	157,500
CHANGE IN NET ASSETS	3,095,113	(181,138)	2,913,975	4,510,330	125,559	4,635,889
NET ASSETS						
Beginning of year	20,710,747	612,078	21,322,825	16,200,417	486,519	16,686,936
End of year	$ 23,805,860	$ 430,940	$ 24,236,800	$ 20,710,747	$ 612,078	$ 21,322,825

See independent auditors' report and accompanying notes to the consolidated financial statements

INTEND INDIANA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2022 and 2021

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Property development and rehabilitation	$ 1,611,166	$ -	$ -	$ 1,611,166	$ 174,101	$ -	$ -	$ 174,101
Payroll, taxes, and benefits	1,276,362	265,529	44,656	1,586,547	1,045,439	341,570	35,261	1,422,270
Programmatic loan expense	540,000	-	-	540,000	-	-	-	-
Bad debt expense: net increase in allowance	473,878	-	-	473,878	85,454	-	-	85,454
Consulting fees	285,196	96,695	3,325	385,216	15,678	4,159	200	20,037
Professional fees	62,481	99,942	740	163,163	248,474	146,793	9,634	404,901
Interest expense	157,602	4	-	157,606	222,554	117	-	222,671
Office expenses	75,856	15,601	2,234	93,691	74,698	16,969	5,030	96,697
Insurance	20,116	58,578	349	79,043	19,922	37,291	327	57,540
Repairs and maintenance	56,630	1,036	151	57,817	52,310	2,134	602	55,046
Contributions	39,155	-	-	39,155	37,100	-	-	37,100
Equipment	32,911	4,035	341	37,287	49,299	4,068	1,306	54,673
Advertising	26,717	6,097	3,439	36,253	37,712	156	1,574	39,442
Depreciation	26,614	4,728	-	31,342	32,578	5,019	343	37,940
Bank fees	23,455	120	214	23,789	11,550	165	200	11,915
Development and training	15,927	5,583	79	21,589	6,515	3,076	49	9,640
Travel	11,092	4,088	-	15,180	963	35	10	1,008
Utilities	10,356	947	156	11,459	9,315	795	266	10,376
Dues and subscriptions	6,024	2,419	59	8,502	8,971	527	30	9,528
Postage	480	144	68	692	3,690	92	30	3,812
Negotiated settlements	-	-	-	-	-	109,916	-	109,916
Other	37,747	38,958	218	76,923	16,093	2,886	379	19,358
Total functional expenses	$ 4,789,765	$ 604,504	$ 56,029	$ 5,450,298	$ 2,152,416	$ 675,768	$ 55,241	$ 2,883,425

INTEND INDIANA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Change in net assets	$ 2,913,975	$ 4,635,889
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Paycheck Protection Program note payable forgiveness income	-	(157,500)
Gain on sales of real estate	(848,246)	(549,755)
Loss on investments	2,744	-
Depreciation	31,342	37,940
Amortization of debt issuance costs included in interest expense	9,955	33,193
Changes in certain assets and liabilities:		
Grants receivable	(37,282)	(429,973)
Other receivables	(128,689)	57,456
Prepaid expenses	(23,364)	3,344
Accounts payable	(324,899)	462,929
Accrued payroll and benefits	27,862	20,427
Security deposits	-	155
Refundable advances	(2,374,703)	3,021,616
Net cash provided by (used in) operating activities	(751,305)	7,135,721
INVESTING ACTIVITIES		
Investments in residential and commercial land, buildings, and improvements, net of grant funding	(1,470,160)	(2,428,054)
Purchases of investments, net	(1,248,713)	-
Net (issuance) repayments of notes receivable - corporate	(1,688,716)	2,608,190
Net (issuance) repayments of notes receivable - personal	(2,219,556)	(3,373,360)
Proceeds from sales of real estate	3,185,501	1,749,742
Net cash used in investing activities	(3,441,644)	(1,443,482)
FINANCING ACTIVITIES		
Net borrowings on (repayments of) notes payable	1,773,007	(2,508,975)
NET CHANGE IN CASH	(2,419,942)	3,183,264
CASH, BEGINNING OF YEAR	13,281,696	10,098,432
CASH, END OF YEAR	$ 10,861,754	$ 13,281,696
CASH, END OF YEAR		
Cash - unrestricted	$ 10,831,366	$ 13,250,903
Cash - restricted	30,388	30,793
Total cash, end of year	$ 10,861,754	$ 13,281,696
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$ 147,648	$ 189,438

See independent auditors' report and accompanying notes to the consolidated financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Intend Indiana, Inc. (formerly Renew Indianapolis, Inc.) ("Intend") is a not-for-profit community development organization based in Indianapolis, Indiana and advances comprehensive community development through innovative financing and development solutions. Renew Indianapolis Properties, LLC ("Properties") is a single-member limited liability company established by Intend to engage in real estate transactions. Gramse Holdings, LLC ("Gramse") is a single-member limited liability company established by Intend for the purpose of owning the Gramse Apartments, an affordable, multifamily rental property. Properties and Gramse are disregarded entities and included in the accounting records of Intend. Build Fund, LLC ("Build Fund") is a single-member limited liability company established by Intend for the purpose of lending to businesses in the Indianapolis area designed to foster economic development. Edge Fund, LLC ("Edge Fund") is a single-member limited liability company established by Intend for the purpose of lending to affordable housing projects in the Indianapolis area. Affordable HomeMatters, LLC ("Affordable HomeMatters") is a single-member limited liability company established by Intend for the purpose of preserving and developing inclusive, diverse, and equitable homeownership opportunities. Renew Landbank, LLC ("Renew Landbank") is a single-member limited liability company established by Intend for the purpose of renewing the community by returning vacant, abandoned, and distressed properties to productive use.

The entities listed above are collectively referred to as the "Organization" and all significant intercompany transactions and balances have been eliminated in consolidation.

The Organization offers the following programs:

- *Renew Landbank* - collaboratively stabilizes communities throughout Central Indiana by managing, marketing, and facilitating the reuse or redevelopment of vacant, abandoned, and distressed properties.
- *Housing Development Program* - preserves and develops high-quality, affordable, and sustainable homes and promotes inclusive and diverse housing opportunities for low- and moderate-income families.
- *HomeSmart* - facilitates affordable, inclusive, and diverse homeownership opportunities for low-income people in Indianapolis through flexible financial products.
- *Indy Affordable Modification Program (IndyAMP)* - allows homeowners negatively affected by COVID-19 to refinance mortgage debt, helping homeowners to remain in their homes, become current with their mortgages, and lower their monthly payments.
- *BridgeSmart* - provides flexible financing that promotes the acquisition, preservation, and development of multifamily affordable housing projects. BridgeSmart is focused on projects that foster diverse and inclusive housing opportunities that include supportive housing.
- *Build Fund* - Build Fund is dedicated to helping businesses grow and create jobs by providing flexible, affordable, and responsible financing.
- *BuildSmart* – BuildSmart is a loan program designed for developers creating affordable housing.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Consolidated Financial Statement Presentation – The Organization reports its consolidated financial position and activities according to two classes of net assets:

- Net assets without donor restrictions, which include unrestricted resources available for the operating objectives of the Organization; and
- Net assets with donor restrictions, which represent resources restricted by donors for specific time periods or purposes.

Consolidated Financial Statements – Build Fund, Edge Fund, Affordable HomeMatters, Renew Landbank, Properties, and Gramse are wholly-owned subsidiaries of Intend. In accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), the balances and results of operations of all four entities are included in the accompanying consolidated financial statements. Properties is included in the activity of Intend and not reflected separately on the consolidating schedules.

Basis of Accounting and Use of Estimates – The consolidated financial statements have been prepared in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents – For the purposes of the consolidated statements of cash flows, the Organization considers all short-term highly-liquid assets with a maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at December 31, 2022 and 2021.

Grants Receivable – Grants receivable relate primarily to grant funding due from governmental agencies. The Organization believes all claims are within the terms of the grant agreements. As such, no allowance for doubtful accounts has been made in connection with grant programs.

Notes Receivable – Notes receivable represent loans provided by Build Fund and Edge Fund to businesses and individuals in fulfillment of each entity's purpose. The Organization regularly reviews notes receivable for collectability. The carrying amount of notes receivable - corporate and notes receivable - personal are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Notes receivable known to be uncollectible are written off directly.

Property and Equipment – Purchases of capital assets and expenditures that materially increase the value or extend the useful lives are capitalized and are included in the accounts at cost. Donated assets are recorded at fair market value at the date received. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Estimated useful lives are as follows:

Rental real estate - buildings and improvements	30 years
Leasehold improvements	8 years
Office equipment	5 to 10 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Impairment of Long-Lived Assets – The Organization reviews long-lived assets, including its investments in real estate, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such an asset is considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair market value. No such impairment is believed to exist as of December 31, 2022 and 2021.

Advertising – The Organization incurred $36,252 and $39,442 in advertising expense during the years ended December 31, 2022 and 2021, respectively. These costs were expensed when incurred.

Taxes on Income – Intend received a determination from the Internal Revenue Service stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Build Fund, Edge Fund, Affordable HomeMatters, Renew Landbank, and Properties are single-member limited liability companies with Intend as their sole member. For tax purposes, Build Fund, Edge Fund, Affordable HomeMatters, Renew Landbank, and Properties are disregarded entities covered by the 501(c)(3) designation of Intend, which qualifies them for treatment as tax-exempt organizations. Each entity would be subject to tax on income unrelated to its exempt purpose. For the years ended December 31, 2022 and 2021, no accounting for federal or state income taxes was required to be included in the accompanying consolidated financial statements.

Professional accounting standards require the Organization to recognize a tax liability 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 is the largest amount of tax liability greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The Organization examined this issue and determined there are no material contingent tax liabilities or questionable tax positions. The years ended after December 31, 2018 are open to audit for both federal and state purposes.

Subsequent Events – The Organization evaluated subsequent events through June 1, 2023, the date these consolidated financial statements were available to be issued. Any events occurring through this date have been evaluated to determine whether a change in the consolidated financial statements or related disclosures would be required.

NOTE 2 - REVENUE RECOGNITION

Revenue Recognition Policy – Contributions received and unconditional promises to give, including real estate donated for development, are measured at their fair values and are reported as an increase in net assets during the year in which they are awarded. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and change in net assets as net assets released from restrictions.

The Organization receives a significant amount of financial assistance from government grants and contracts. Grants and contracts normally provide for the recovery of direct costs. Entitlement to the recovery of the direct costs is conditional upon compliance with the terms and conditions of the grant agreements and with applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance reviews and audits by the grantors. Management does not believe an adverse material outcome from those compliance reviews and audits is likely. Revenues from cost reimbursement grants are recognized in an amount equal to costs and expenses during the year in which they are incurred.

Gains and losses from property sales are recognized upon closing of the sale net of the related property inventory value and selling expenses. Any losses are recognized as program expenses, as properties are occasionally sold at less than market value as part of the Organization's mission.

The Organization, through agreements with the Indianapolis Department of Metropolitan Development and other governmental agencies, facilitates the purchase of blighted properties and vacant lots in Indianapolis. The related properties are owned and maintained by Indianapolis. The Organization facilitates the purchase of these properties by vetting potential buyers and acting as an intermediary during the closing process. During the process, title briefly passes to the Organization before being passed on to the buyer. No cash is paid by the Organization during the title transfer and closing process. Consequently, the cost of the property and the closing is not recorded. The developer and origination fees paid by the buyer to the Organization are recorded as fee revenue.

Rental income is collected from tenants of buildings owned by the Organization and is recorded as revenue when received.

Disaggregation of Revenue – Revenue is disaggregated by category on the consolidated statements of activities and change in net assets.

Performance Obligations – Donations of property, contributions with donor restrictions, and contributions without donor restrictions are not considered exchange transactions and therefore are excluded from the requirements of ASU 2014-09. Grant revenue is recognized as the performance obligations under the grants are met, generally as allowable expenses are incurred and applied. Revenue from the sale of real estate is recognized as the performance obligation of transfer of title occurs at the time of closing of the sale of real estate. Fee revenue is considered earned simultaneously with the completion of the property sale, which satisfies the Organization's only performance obligation under fee-for-service arrangements.

NOTE 3 - PAYCHECK PROTECTION PROGRAM

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief, and Economic Security ("CARES") Act which includes the Paycheck Protection Program ("PPP") administered through the Small Business Administration. On April 20, 2020, the Organization was granted a PPP note payable from Merchants Bank of Indiana in the amount of $157,500 pursuant to the PPP under Division A, Title I of the CARES Act. The Organization determined the PPP note payable represented a financial liability and accounted for it in accordance with FASB ASC 470, *Simplifying the Classification of Debt*, until the accounting period in which forgiveness was obtained. Management was notified in April 2021 that the PPP note payable was forgiven in full, and therefore recorded the entire amount as PPP note payable forgiveness income during the year ended December 31, 2021.

NOTE 4 - INVESTMENTS IN REAL ESTATE

Intend purchases and receives donations of vacant lots and distressed properties. For donated properties, Intend is typically responsible only for closing costs and title fees. The properties are designated to be developed or renovated for sale to individuals qualified as low-to-moderate income.

Intend acquires and rehabs houses for resale. These properties are valued at the purchase price of the home. The cost of the houses, title fees, and rehab costs are used to determine the capitalized cost of these properties.

Investments in real estate totaled $1,063,290 and $1,930,385 as of December 31, 2022 and 2021, respectively.

NOTE 5 - RENTAL REAL ESTATE

Intend converts certain real estate investments into rental properties when it is unable to sell those properties. Rental properties consisted of 14 housing units and were comprised of the following as of December 31:

	2022	2021
Land	$ 75,000	$ 75,000
Buildings and improvements	798,422	798,422
Less: accumulated depreciation	(361,082)	(334,468)
	$ 512,340	$ 538,954

NOTE 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair measurement level within the fair value hierarchy is based on the lowest level of any input significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds registered with the Securities and Exchange Commission. The mutual funds held by the Organization are deemed to be actively traded (Level 1 inputs).

Exchange Traded Funds: Valued at the daily closing price as reported by the fund. Exchange traded funds are registered with the Securities and Exchange Commission. The exchange traded funds held by the Organization are deemed to be actively traded (Level 1 inputs).

The table below sets forth by level within the fair value hierarchy the Organization's assets at fair value as of December 31, 2022.

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 976,974	$ -	$ -	$ 976,974
Exchange traded funds	268,995	-	-	268,995
Investments at fair value	$ 1,245,969	$ -	$ -	$ 1,245,969

NOTE 7 - NOTES RECEIVABLE

Build Fund provides corporate lending for economic development purposes. Edge Fund provides lending for the purpose of affordable housing for both personal and corporate borrowers. A summary of the notes receivable is presented below as of December 31:

2022	Number of Notes Outstanding	Balances of Notes Outstanding	Interest Rate Range	Maturity Date Range
Notes receivable - corporate				
Build Fund	18	\$30,000 - \$782,000	4.0% - 7.5%	Mar. 2023 - Mar. 2031
Edge Fund	2	\$1,080,000 - \$2,380,000	3.0%	Jul. 2023 - Dec. 2023
Notes receivable - personal				
Edge Fund	53	\$28,000 - \$220,000	.5% - 3.1%	Jan. 2049 - Dec. 2051
2021				
Notes receivable - corporate				
Build Fund	13	\$60,000 - \$796,000	4.0% - 7.5%	Sep. 2022 - Mar. 2031
Edge Fund	2	\$1,080,000 - \$2,380,000	3.0%	Apr. 2022 - Dec. 2022
Notes receivable - personal				
Edge Fund	35	\$39,000 - \$220,000	.5% - 3.1%	Aug. 2041 - Jan. 2053

The allowance for doubtful accounts totaled $1,627,291 as of December 31, 2022, which is comprised of an allowance against notes receivable - corporate of $861,870 and notes receivable - personal of $765,421. The allowance for doubtful accounts totaled $1,153,413 as of December 31, 2021, which is comprised of an allowance against notes receivable - corporate of $634,609 and notes receivable - personal of $518,804.

Bad debt expense is comprised of known losses incurred in the current year plus the net increase in the allowance for doubtful accounts as presented on the consolidated statements of functional expenses.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2022	2021
Leasehold improvements	$ 28,957	$ 28,957
Office equipment	93,253	93,253
Less: accumulated depreciation	(111,599)	(106,871)
Property and equipment, net	$ 10,611	$ 15,339

NOTE 9 - REFUNDABLE ADVANCES

Build Fund was awarded grants to provide loans to businesses designed to foster economic development. Edge Fund was awarded grants to provide loans to individuals and businesses to create and preserve affordable single- and multi-family housing. The grants are considered exchange transactions. Accordingly, revenue is recognized as grant requirements are fulfilled. The Organization had refundable advances of $1,006,913 and $3,381,616 as of December 31, 2022 and 2021, respectively, representing grant receipts in excess of loans made and related costs.

A portion of the refundable advances recorded by Edge Fund pertain to a grant from the Cummins Foundation to support the building of twelve affordable houses in the Martindale Brightwood Neighborhood in Indianapolis. Under the terms of the grant, borrowers obtain loans from Edge Fund and $90,000 per loan is simultaneously forgiven upon signing of the loan through proceeds from the Cummins Foundation grant. The actual forgiveness of the loan to the borrower is earned over a period of ten years, however, management of the Organization has concluded that the likelihood of conditions occurring under which the Organization would recover any portion of the $90,000 per loan forgiveness is remote. Should any of the forgiven loans be repaid, the organization will recognize the repayment as revenue at that time. Accordingly, Edge Fund records state and local grants revenue as well as programmatic loan expense as each loan is executed. Edge Fund transacted six such loans during the year ended December 31, 2022, for a total of $540,000 in revenue and expenses.

NOTE 10 - NOTES PAYABLE

Notes payable consisted of the following as of December 31:

	2022	2021
Note payable to IFF; secured by a mortgage on property. The note accrues interest at 5.95% per annum and requires monthly payment of principal and interest of $3,578. The note matures in October 2032, at which time any unpaid principal and interest is due in full.	$ 556,353	$ 565,877
Note payable to Local Initiatives Support Corporation; secured by real estate on the North Broadway Street property. The note bears no interest and requires monthly payments of $683 as available cash flow from the mortgaged property permits. The note matures in September 2032.	123,000	123,000
Note payable to Woodforest National Bank; unsecured. The note accrues interest at 3% per annum and requires monthly payments of interest only from January 2021 through December 2021, monthly payments of principal and interest of $24,191 from January 2022 through November 2023, and a final balloon payment of all unpaid principal and interest on its maturity date in December 2023.	2,282,531	2,500,000
Note payable to Woodforest National Bank; unsecured. The note accrues interest at 3% per annum and requires monthly payments of interest only from August 2022 through June 2024 and a final balloon payment of all unpaid principal and interest on its maturity date in July 2024.	2,000,000	-
	$ 4,961,884	$ 3,188,877

NOTE 10 - NOTES PAYABLE, Continued

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

2023	$ 2,292,636
2024	2,010,723
2025	11,379
2026	12,075
2027	12,813
Thereafter	622,258
	$ 4,961,884

NOTE 11 - DEBT ISSUANCE COSTS SUBJECT TO AMORTIZATION

The Organization incurred debt issuance costs associated with the notes payable to IFF and Woodforest National Bank. These debt issuance costs are amortized over the lives of the related notes payable. The IFF note payable had debt issuance costs of $22,000, which the Organization amortizes through October 2032. The note payable to Woodforest National Bank had debt issuance costs of $25,466, which the Organization amortizes through December 2023. Accumulated amortization of debt issuance costs totaled $25,018 and $15,063 as of December 31, 2022 and 2021, respectively. Amortization expense of $9,955 and $33,193 is included with interest expense on the consolidated statements of activities and change in net assets during the years ended December 31, 2022 and 2021, respectively.

NOTE 12 - NET ASSETS

Net assets with donor restrictions were available for the following purpose as of December 31:

	2022	2021
Financial assistance (loan fund)	$ 339,561	$ 521,230
Technical assistance	-	53,385
Community engagement	50,258	-
Other	41,121	37,463
	$ 430,940	$ 612,078

Purpose restrictions are generally met each of the years following the restrictions.

NOTE 12 - NET ASSETS, Continued

Net assets without donor restrictions includes Board-designated balances of $1,250,000 and $4,635,869 as of December 31, 2022 and 2021, respectively. In 2022, the Board removed the capital available for lending restriction. Board-designated net assets are for the following purposes as of December 31:

	2022	2021
Unanticipated budget shortfalls	$ 1,250,000	$ 950,000
Capital available for lending	-	3,685,869
	$ 1,250,000	$ 4,635,869

NOTE 13 - GRANT FUNDING

Grant funding was received from the following sources for the years ended December 31:

	2022	2021
FEDERAL PASS-THROUGH AWARDS		
City of Indianapolis	$ 279,367	$ 504,000
FEDERAL DIRECT AWARDS		
Department of Health and Human Services	-	635,472
Department of Treasury	3,454,830	1,690,915
NeighborWorks	386,000	140,000
	3,840,830	2,466,387
Total federal awards	4,120,197	2,970,387
STATE AND LOCAL GRANTS		
National Urban League	329,600	-
Health and Hospital Corporation of Marion County	539,324	2,108,221
Indianapolis Neighborhood Housing Partnership	-	100,000
City of Indianapolis	100,000	100,000
LISC	20,000	-
Cummins	540,000	-
Other	163,183	20,000
Total state and local grants	1,692,107	2,328,221
Total grant funding	$ 5,812,304	$ 5,298,608

NOTE 14 - RISKS AND UNCERTAINTIES

Intend, Properties, Affordable HomeMatters, and Renew Landbank are engaged in the business of residential real estate development, sale, and rental in Indiana, and are subject to risks associated with this industry and geographic area, including socio-economic factors, interest rates, and availability and cost of materials. Build Fund and Edge Fund are engaged in the business of lending to corporate entities and individuals and are subject to the risk of loss due to defaulted loans.

Each consolidated entity is also reliant on funding and resources from government-sponsored programs. Changes in such programs and/or levels of funding could significantly affect the Organization’s operations. In addition, the Organization is subject to monitoring by local, state, and federal agencies. Those examinations could result in additional liability to be imposed.

NOTE 15 - LEASE OBLIGATIONS

Lease Accounting Standard – Effective January 1, 2022, the Organization adopted Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 replaced previous lease guidance under U.S. GAAP and aims to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the consolidated statements of financial position and disclosing key information about leasing arrangements. The Organization elected to apply the transition alternative allowed under ASU 2018-11. Under this election, the Organization recognizes a cumulative effect adjustment to the opening balance of consolidated net assets as of the adoption date. No cumulative effect adjustment to consolidated net assets was necessary. The Organization applied the provisions of ASU 2016-02 as of the adoption date.

The Organization leases office space in one building in Indianapolis under two leases through December 2026. Using an imputed interest rate of 3%, which is the interest rate on its Woodforest National Bank notes payable (Note 10), the Organization recorded an operating lease right-of-use asset for $259,542 and corresponding operating lease liability for the same amount.

Components of lease costs are as follows for the year ended December 31, 2022:

Operating lease cost	$	65,410
Amortization of finance leased assets		(6,981)
Total lease cost	$	58,429

NOTE 15 - LEASE OBLIGATIONS, Continued

Future minimum lease payments under these leases are as follows for the years ending December 31:

2023	$	66,870
2024		68,376
2025		69,829
2026		5,836
		210,911
Less: imputed interest		(9,798)
Total lease liability	$	201,113

NOTE 16 - FUNCTIONAL EXPENSE REPORTING

The costs of providing community services have been summarized on a functional basis in the consolidated statements of activities and change in net assets. Accordingly, certain expenses have been allocated between programs services, management and general, and fundraising.

Management allocates costs among the various functional expense categories using a combination of direct allocation and estimation. Payroll and associated costs are allocated based on employee time records. Other costs are either applied directly to the functional expense category to which they belong or are allocated using an appropriate basis (generally payroll percentages).

NOTE 17 - LIQUIDITY

The Organization's financial assets include cash, cash - restricted, grants receivable, other receivables, investments (excluding real estate) and notes receivable, excluding all intercompany financial assets. Following is a schedule of financial assets available for general use within one year as of December 31:

	2022	2021
Financial assets	$ 29,188,381	$ 26,288,111
Less: donor restrictions for specific purposes	(430,940)	(612,078)
Less: notes receivable unlikely to be available for general expenditures within one year	(15,989,082)	(12,080,810)
Less: restrictions due to Board-designation	(1,250,000)	(4,635,869)
Financial assets available for general use within one year	$ 11,518,359	$ 8,959,354

NOTE 17 - LIQUIDITY, Continued

The consolidated entities are separated for legal and regulatory purposes, however, all six entities are governed and operated collectively as one organization. Liquidity is transferrable between entities at the discretion of management and approval of the Board of Directors. As of December 31, 2022, the Organization has approximately $11,500,000 in financial assets available for general use within one year, which represents over two years' worth of cash on hand considering consolidated total expenses incurred during the year ended December 31, 2022.

Donor restrictions are tracked in separate funds, with adequate cash available to cover restrictions. The Board-designated net assets are available at the Board of Directors' discretion to relieve the designations for general use.

S U P P L E M E N T A R Y   I N F O R M A T I O N

INTEND INDIANA, INC. AND AFFILIATES
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Awards Expended
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-Through City of Indianapolis			
Home Investment Partnership Program	14.239	PO1300004517	$ 78,444
Home Investment Partnership Program	14.239	PO1300005520	50,805
Total U.S. Department of Housing and Urban Development			129,249
U.S. DEPARTMENT OF TREASURY			
Community Development Financial Institutions Program	21.020	201FA054876	393,385
Community Development Financial Institutions Rapid Response Program	21.024	21RRP056618	1,292,391
Community Development Financial Institutions Rapid Response Program	21.024	21RRP056733	874,671
Coronavirus State and Local Fiscal Recovery Funds	21.027	13FG-ARPIndyAMP-1	115,945
Coronavirus State and Local Fiscal Recovery Funds	21.027		1,207,182
Total U.S. Department of Treasury			3,883,574
NEIGHBORWORKS SYSTEM PROGRAM	21.115.141		335,742
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through City of Indianapolis			
Community Development Block Grants/Discretionary Awards	93.570	90EE1262-01-01	158,118
Total federal awards expended			$ 4,506,683

See independent auditors' report and accompanying notes to this consolidated schedule

NOTE 1 - BASIS OF PRESENTATION

The accompanying consolidated schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Intend Indiana, Inc. and Affiliates (collectively, the "Organization") under programs of the federal government for the year ended December 31, 2022. The information in this Schedule 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* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets, functional expenses, nor cash flows of the Organization.

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 the *Uniform Guidance* 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 - INDIRECT COST RATE

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

INTEND INDIANA, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2022

	Intend Indiana	Build Fund	Edge Fund	Affordable HomeMatters	Renew Landbank	Eliminations *	Total
			ASSETS				
Cash	$ 2,977,595	$ 2,024,753	$ 4,004,655	$ 1,754,556	$ 69,807	$ -	$ 10,831,366
Cash - restricted	30,388	-	-	-	-	-	30,388
Receivables:							
Grants	150,805	300,000	279,128	232,509	-	-	962,442
Other	3,470,888	-	-	128,905	-	(3,470,659)	129,134
Prepaid expenses	51,526	1,104	25,445	1,232	-	-	79,307
Notes receivable - corporate, net of allowance	-	5,813,295	3,287,000	-	-	-	9,100,295
Notes receivable - personal, net of allowance	-	-	6,888,787	-	-	-	6,888,787
Investments	698,323	150,129	397,517	-	-	-	1,245,969
Investments in real estate	257,909	-	-	805,381	-	-	1,063,290
Investment in Edge Fund, LLC	922,551	-	-	-	-	(922,551)	-
Investment in Affordable HomeMatters, LLC	1,150,000	-	-	-	-	(1,150,000)	-
Investment in Renew Landbank, LLC	50,000	-	-	-	-	(50,000)	-
Rental real estate, net	512,340	-	-	-	-	-	512,340
Property and equipment, net	10,611	-	-	-	-	-	10,611
Right of use assets - operating leases	201,113	-	-	-	-	-	201,113
TOTAL ASSETS	$ 10,484,049	$ 8,289,281	$ 14,882,532	$ 2,922,583	$ 69,807	$ (5,593,210)	$ 31,055,042
			LIABILITIES AND NET ASSETS				
LIABILITIES							
Accounts payable	$ 362,348	$ 48,699	$ 128,269	$ 1,411,129	$ -	$ (1,470,659)	$ 479,786
Accrued payroll and benefits	131,904	-	-	-	-	-	131,904
Notes payable	4,961,884	-	2,000,000	-	-	(2,000,000)	4,961,884
Less: unamortized debt issuance costs	(22,448)	-	-	-	-	-	(22,448)
Grant obligations payable	50,000	-	-	-	-	-	50,000
Security deposits	9,090	-	-	-	-	-	9,090
Refundable advances	-	466,913	540,000	-	-	-	1,006,913
Operating lease liabilities	201,113	-	-	-	-	-	201,113
Total liabilities	5,693,891	515,612	2,668,269	1,411,129	-	(3,470,659)	6,818,242
NET ASSETS							
Contributed funds - Intend Indiana, Inc.	-	-	922,551	1,150,000	50,000	(2,122,551)	-
Without donor restrictions:							
Board-designated	700,000	150,000	400,000	-	-	-	1,250,000
Undesignated	3,998,779	7,284,108	10,891,712	361,454	19,807	-	22,555,860
With donor restrictions	91,379	339,561	-	-	-	-	430,940
Total net assets	4,790,158	7,773,669	12,214,263	1,511,454	69,807	(2,122,551)	24,236,800
TOTAL LIABILITIES AND NET ASSETS	$ 10,484,049	$ 8,289,281	$ 14,882,532	$ 2,922,583	$ 69,807	$ (5,593,210)	$ 31,055,042

* Eliminations represent the amounts owed between the consolidated entities.

INTEND INDIANA, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2021

	Intend Indiana	Build Fund	Edge Fund	Eliminations *	Total
ASSETS					
Cash	$ 5,064,669	$ 3,107,480	$ 5,078,754	$ -	$ 13,250,903
Cash - restricted	30,793	-	-	-	30,793
Receivables:					
Grants	-	420,645	504,515	-	925,160
Other	175,576	91,357	3,794,638	(4,061,126)	445
Prepaid expenses	25,611	300	30,032	-	55,943
Notes receivable - corporate, net of allowance	-	4,124,579	3,287,000	-	7,411,579
Notes receivable - personal, net of allowance	-	-	4,669,231	-	4,669,231
Investments in real estate	1,930,385	-	-	-	1,930,385
Investment in Edge Fund, LLC	4,922,551	-	-	(4,922,551)	-
Rental real estate, net	538,954	-	-	-	538,954
Property and equipment, net	15,339	-	-	-	15,339
TOTAL ASSETS	$ 12,703,878	$ 7,744,361	$ 17,364,170	$ (8,983,677)	$ 28,828,732
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable	$ 4,563,877	$ 69,451	$ 232,483	$ (4,061,126)	$ 804,685
Accrued payroll and benefits	104,042	-	-	-	104,042
Notes payable	3,188,877	-	-	-	3,188,877
Less: unamortized debt issuance costs	(32,403)	-	-	-	(32,403)
Grant obligations payable	50,000	-	-	-	50,000
Security deposits	9,090	-	-	-	9,090
Refundable advances	-	1,690,241	1,691,375	-	3,381,616
Total liabilities	7,883,483	1,759,692	1,923,858	(4,061,126)	7,505,907
NET ASSETS					
Contributed funds - Intend Indiana, Inc.	-	-	4,922,551	(4,922,551)	-
Without donor restrictions:					
Board-designated	550,000	278,887	3,806,982	-	4,635,869
Undesignated	4,232,932	5,394,463	6,447,483	-	16,074,878
With donor restrictions	37,463	311,319	263,296	-	612,078
Total net assets	4,820,395	5,984,669	15,440,312	(4,922,551)	21,322,825
TOTAL LIABILITIES AND NET ASSETS	$ 12,703,878	$ 7,744,361	$ 17,364,170	$ (8,983,677)	$ 28,828,732

* Eliminations represent the amounts owed between the consolidated entities.

INTEND INDIANA, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2022

	Intend Indiana			**Build Fund**			**Edge Fund**			**Affordable HomeMatters**			**Renew Landbank**				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	**Eliminations** *	**Total**
REVENUES, SUPPORT, AND GAINS																	
Federal awards	$ 723,778	$ 61,000	$ 784,778	$ 1,670,446	$ -	$ 1,670,446	$ 727,319	$ -	$ 727,319	$ 937,654	$ -	$ 937,654	$ -	$ -	$ -	$ -	$ 4,120,197
State and local grants	107,550	-	107,550	20,000	203,000	223,000	1,242,507	-	1,242,507	119,050	-	119,050	-	-	-		1,692,107
Developer fees	396,660	-	396,660	-	-	-	-	-	-	6,435	-	6,435	-	-	-	-	403,095
Interest income from notes receivable	81,047	-	81,047	361,737	-	361,737	321,504	-	321,504	-	-	-	-	-	-	-	764,288
Rental income	124,526	-	124,526	-	-	-	-	-	-	-	-	-	-	-	-	-	124,526
Contributions	249,057	3,658	252,715	1,436	-	1,436	4,307	-	4,307	471,898	-	471,898	100,000	-	100,000	(571,898)	258,458
Loan origination fees	-	-	-	18,217	-	18,217	61,000	-	61,000	-	-	-	-	-	-	-	79,217
Property management fees	5,100	-	5,100	-	-	-	-	-	-	-	-	-	-	-	-	-	5,100
Other income	31,169	-	31,169	37,870	-	37,870	-	-	-	-	-	-	-	-	-	-	69,039
Sale of real estate:																	
Proceeds from sale	2,172,000	-	2,172,000	-	-	-	-	-	-	1,013,501	-	1,013,501	-	-	-	-	3,185,501
Basis of property	(1,846,915)	-	(1,846,915)	-	-	-	-	-	-	(490,340)	-	(490,340)	-	-	-	-	(2,337,255)
Gain on sale of real estate	325,085	-	325,085	-	-	-	-	-	-	523,161	-	523,161	-	-	-	-	848,246
Net assets released from restrictions	10,742	(10,742)	-	174,758	(174,758)	-	263,296	(263,296)	-	-	-	-	-	-	-	-	-
Total revenues, support, and gains	2,054,714	53,916	2,108,630	2,284,464	28,242	2,312,706	2,619,933	(263,296)	2,356,637	2,058,198	-	2,058,198	100,000	-	100,000	-	8,364,273
FUNCTIONAL EXPENSES																	
Program services	1,633,298	-	1,633,298	491,321	-	491,321	1,531,061	-	1,531,061	1,647,057	-	1,647,057	58,926	-	58,926	(571,898)	4,789,765
Management and general	480,295	-	480,295	29,848	-	29,848	41,815	-	41,815	31,279	-	31,279	21,267	-	21,267	-	604,504
Fundraising	25,274	-	25,274	2,537	-	2,537	9,810	-	9,810	18,408	-	18,408	-	-	-		56,029
Total functional expenses	2,138,867	-	2,138,867	523,706	-	523,706	1,582,686	-	1,582,686	1,696,744	-	1,696,744	80,193	-	80,193	(571,898)	5,450,298
CHANGE IN NET ASSETS	(84,153)	53,916	(30,237)	1,760,758	28,242	1,789,000	1,037,247	(263,296)	773,951	361,454	-	361,454	19,807	-	19,807	-	2,913,975
NET ASSETS																	
Beginning of year	4,782,932	37,463	4,820,395	5,673,350	311,319	5,984,669	10,254,465	263,296	10,517,761	-	-	-	-	-	-	-	21,322,825
End of year	$ 4,698,779	$ 91,379	$ 4,790,158	$ 7,434,108	$ 339,561	$ 7,773,669	$ 11,291,712	$ -	$ 11,291,712	$ 361,454	$ -	$ 361,454	$ 19,807	$ -	$ 19,807	$ -	$ 24,236,800

INTEND INDIANA, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2021

	Intend Indiana			Build Fund			Edge Fund			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES, SUPPORT, AND GAINS										
Federal awards	$ 140,000	$ -	$ 140,000	$ 837,557	$ 273,940	$ 1,111,497	$ 1,444,950	$ 273,940	$ 1,718,890	$ 2,970,387
State and local grants	162,537	37,463	200,000	20,000	-	20,000	2,108,221	-	2,108,221	2,328,221
Developer fees	672,166	-	672,166	-	-	-	-	-	-	672,166
Interest income from notes receivable	47,351	-	47,351	259,349	-	259,349	307,402	-	307,402	614,102
Rental income	117,714	-	117,714	-	-	-	-	-	-	117,714
Contributions	73,163	-	73,163	-	-	-	-	-	-	73,163
Loan origination fees	-	-	-	11,880	-	11,880	-	-	-	11,880
Property management fees	5,100	-	5,100	-	-	-	-	-	-	5,100
Other income	4,484	-	4,484	14,842	-	14,842	-	-	-	19,326
Sale of real estate:										
Proceeds from sale	1,749,742	-	1,749,742	-	-	-	-	-	-	1,749,742
Basis of property	(1,199,987)	-	(1,199,987)	-	-	-	-	-	-	(1,199,987)
Gain on sale of real estate	549,755	-	549,755	-	-	-	-	-	-	549,755
Net assets released from restrictions	44,718	(44,718)	-	116,592	(116,592)	-	298,474	(298,474)	-	-
Total revenues, support, and gains	1,816,988	(7,255)	1,809,733	1,260,220	157,348	1,417,568	4,159,047	(24,534)	4,134,513	7,361,814
FUNCTIONAL EXPENSES										
Program services	1,013,435	-	1,013,435	329,453	-	329,453	809,528	-	809,528	2,152,416
Management and general	600,060	-	600,060	12,950	-	12,950	62,758	-	62,758	675,768
Fundraising	20,332	-	20,332	39	-	39	34,870	-	34,870	55,241
Total functional expenses	1,633,827	-	1,633,827	342,442	-	342,442	907,156	-	907,156	2,883,425
CHANGE IN NET ASSETS FROM OPERATIONS	183,161	(7,255)	175,906	917,778	157,348	1,075,126	3,251,891	(24,534)	3,227,357	4,478,389
PPP NOTE PAYABLE FORGIVENESS INCOME	157,500	-	157,500	-	-	-	-	-	-	157,500
CHANGE IN NET ASSETS	340,661	(7,255)	333,406	917,778	157,348	1,075,126	3,251,891	(24,534)	3,227,357	4,635,889
NET ASSETS										
Beginning of year	4,442,271	44,718	4,486,989	4,755,572	153,971	4,909,543	7,002,574	287,830	7,290,404	16,686,936
End of year	$ 4,782,932	$ 37,463	$ 4,820,395	$ 5,673,350	$ 311,319	$ 5,984,669	$ 10,254,465	$ 263,296	$ 10,517,761	$ 21,322,825

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

The Board of Directors
Intend Indiana, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Intend Indiana, Inc. and Affiliates (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 1, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting ("internal control") to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control which 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 which might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

DONOVAN

Donovan

Indianapolis, Indiana
June 1, 2023

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

The Board of Directors
Intend Indiana, Inc.

Report on Compliance for Each Major Federal Program

We have audited Intend Indiana, Inc. and Affiliates' (collectively, the "Organization") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2022. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 which 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

DONOVAN

Donovan

Indianapolis, Indiana
June 1, 2023

INTEND INDIANA, INC. AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold use to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

II. Financial Statement Findings

No matters are reportable.

III. Federal Award Findings and Questioned Costs

No matters are reportable.