INTEND INDIANA, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

Donovan
CPAs

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Independent Auditors' Report

The Board of Directors
Intend Indiana, Inc.

Opinion

We audited the accompanying consolidated financial statements of Intend Indiana, Inc. and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022 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 Consolidated 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 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 which 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, which 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 available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, which 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

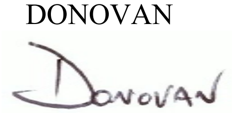
Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of expenditures of federal awards and notes thereto, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost 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 25 through 28 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 13, 2024 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.

DONOVAN



Indianapolis, Indiana
June 13, 2024

INTEND INDIANA, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 5,345,120	$ 10,831,366
Cash - restricted	31,816	30,388
Receivables:		
Grants	1,029,090	962,442
Other	418,020	129,134
Prepaid expenses	76,723	79,307
Current portion of notes receivable - corporate	2,558,565	953,616
Current portion of notes receivable - personal	551,320	220,415
Investments	1,626,978	1,245,969
Total current assets	11,637,632	14,452,637
PROPERTY AND EQUIPMENT, NET	6,171	10,611
OTHER ASSETS		
Investments in real estate	2,286,718	1,063,290
Rental real estate, net	485,726	512,340
Right of use asset - operating leases	139,435	201,113
Notes receivable - corporate, net of current portion and allowance for credit losses	7,699,939	8,146,679
Notes receivable - personal, net of current portion and allowance for credit losses	8,814,058	6,668,372
Total other assets	19,425,876	16,591,794
TOTAL ASSETS	$ 31,069,679	$ 31,055,042
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of notes payable	$ 2,010,724	$ 2,292,646
Current portion of operating lease liabilities	65,080	61,678
Line of credit	500,000	-
Accounts payable	698,674	479,786
Accrued payroll and benefits	141,342	131,904
Grant obligations payable	-	50,000
Refundable advances	600,009	1,006,913
Total current liabilities	4,015,829	4,022,927
LONG-TERM LIABILITIES		
Notes payable, net of current portion	1,658,523	2,669,238
Less: unamortized debt issuance costs	(52,368)	(22,448)
Operating lease liabilities, net of current portion	74,355	139,435
Security deposits	9,472	9,090
Total long-term liabilities	1,689,982	2,795,315
TOTAL LIABILITIES	5,705,811	6,818,242
NET ASSETS		
Without donor restrictions:		
Board-designated	1,215,000	1,250,000
Undesignated	23,858,535	22,555,860
With donor restrictions	290,333	430,940
Total net assets	25,363,868	24,236,800
TOTAL LIABILITIES AND NET ASSETS	$ 31,069,679	$ 31,055,042

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, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS						
Federal awards	$ 1,897,073	$ 87,000	$ 1,984,073	$ 4,059,197	$ 61,000	$ 4,120,197
State and local grants	1,169,400	-	1,169,400	1,489,107	203,000	1,692,107
Developer fees	428,063	-	428,063	403,095	-	403,095
Interest income from notes receivable	980,890	-	980,890	694,435	-	694,435
Rental income	119,371	-	119,371	124,526	-	124,526
Contributions	39,750	3,620	43,370	254,800	3,658	258,458
Loan origination fees	47,464	-	47,464	79,217	-	79,217
Property management fees	5,100	-	5,100	5,100	-	5,100
Other income	372,225	-	372,225	138,892	-	138,892
Sales of real estate:						
Proceeds from sales	2,096,069	-	2,096,069	3,185,501	-	3,185,501
Basis of property	(1,524,453)	-	(1,524,453)	(2,337,255)	-	(2,337,255)
Gain on sales of real estate	571,616	-	571,616	848,246	-	848,246
Net assets released from restrictions	231,227	(231,227)	-	448,796	(448,796)	-
Total revenue, support, and gains	5,862,179	(140,607)	5,721,572	8,545,411	(181,138)	8,364,273
FUNCTIONAL EXPENSES						
Program services	3,717,436	-	3,717,436	4,789,765	-	4,789,765
Management and general	791,782	-	791,782	604,504	-	604,504
Fundraising	85,286	-	85,286	56,029	-	56,029
Total functional expenses	4,594,504	-	4,594,504	5,450,298	-	5,450,298
CHANGE IN NET ASSETS	1,267,675	(140,607)	1,127,068	3,095,113	(181,138)	2,913,975
NET ASSETS						
Beginning of year	23,805,860	430,940	24,236,800	20,710,747	612,078	21,322,825
End of year	$ 25,073,535	$ 290,333	$ 25,363,868	$ 23,805,860	$ 430,940	$ 24,236,800

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, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Payroll, taxes, and benefits	$ 1,209,669	$ 436,993	$ 68,268	$ 1,714,930	$ 1,276,362	$ 265,529	$ 44,656	$ 1,586,547
Property development and rehabilitation	671,859	-	-	671,859	1,611,166	-	-	1,611,166
Programmatic loan expense	540,000	-	-	540,000	540,000	-	-	540,000
Contributions	58,801	-	-	58,801	39,155	-	-	39,155
Credit loss expense	325,358	-	-	325,358	473,878	-	-	473,878
Consulting fees	277,477	26,470	3,392	307,339	285,196	96,695	3,325	385,216
Interest expense	183,225	609	46	183,880	157,602	4	-	157,606
Professional fees	68,853	71,180	1,878	141,911	62,481	99,942	740	163,163
Office expenses	75,901	20,388	3,904	100,193	75,856	15,601	2,234	93,691
Insurance	15,007	70,894	434	86,335	20,116	58,578	349	79,043
Bank fees	70,151	7,459	-	77,610	23,455	120	214	23,789
Advertising	39,667	23,549	5,271	68,487	26,717	6,097	3,439	36,253
Repairs and maintenance	57,917	4,000	292	62,209	56,630	1,036	151	57,817
Development and training	11,675	28,895	-	40,570	15,927	5,583	79	21,589
Travel	8,696	27,429	497	36,622	11,092	4,088	-	15,180
Equipment	24,640	10,788	557	35,985	32,911	4,035	341	37,287
Depreciation	26,614	4,439	-	31,053	26,614	4,728	-	31,342
Dues and subscriptions	7,904	15,302	120	23,326	6,024	2,419	59	8,502
Utilities	13,665	949	181	14,795	10,356	947	156	11,459
Postage	696	659	20	1,375	480	144	68	692
Other	29,661	41,779	426	71,866	37,747	38,958	218	76,923
Total functional expenses	$ 3,717,436	$ 791,782	$ 85,286	$ 4,594,504	$ 4,789,765	$ 604,504	$ 56,029	$ 5,450,298

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

INTEND INDIANA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	2023	2022
OPERATING ACTIVITIES		
Change in net assets	$ 1,127,068	$ 2,913,975
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on sales of real estate	(571,616)	(848,246)
(Gain) loss on investments	(131,009)	2,744
Depreciation	31,054	31,342
Amortization of debt issuance costs included in interest expense	16,926	9,955
Changes in certain assets and liabilities:		
Grants receivable	(66,648)	(37,282)
Other receivables	(288,886)	(128,689)
Prepaid expenses	2,584	(23,364)
Accounts payable	218,888	(324,899)
Accrued payroll and benefits	9,438	27,862
Security deposits	382	-
Grant obligations payable	(50,000)	-
Refundable advances	(406,904)	(2,374,703)
Net cash used in operating activities	(108,723)	(751,305)
INVESTING ACTIVITIES		
Investments in residential and commercial land, buildings, and improvements, net of grant funding	(2,747,881)	(1,470,160)
Purchases of investments, net	(250,000)	(1,248,713)
Net issuance of notes receivable - corporate	(1,158,209)	(1,688,716)
Net issuance of notes receivable - personal	(2,476,591)	(2,219,556)
Proceeds from sales of real estate	2,096,069	3,185,501
Net cash used in investing activities	(4,536,612)	(3,441,644)
FINANCING ACTIVITIES		
Borrowings on line of credit	500,000	-
Cash paid for capitalized debt issuance costs	(46,846)	-
Net borrowings on (repayments of) notes payable	(1,292,637)	1,773,007
Net cash used in investing activities	(839,483)	1,773,007
NET CHANGE IN CASH	(5,484,818)	(2,419,942)
CASH, BEGINNING OF YEAR	10,861,754	13,281,696
CASH, END OF YEAR	$ 5,376,936	$ 10,861,754
CASH, END OF YEAR		
Cash - unrestricted	$ 5,345,120	$ 10,831,366
Cash - restricted	31,816	30,388
Total cash, end of year	$ 5,376,936	$ 10,861,754
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$ 166,954	$ 147,648

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Nature of Operations</u> – 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 small businesses in Indiana 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 Indiana. 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.
- *HomePower* - 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 and Gramse are included in the activity of Intend and are 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 affecting 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, 2023 and 2022.

Grants Receivable and Notes Receivable – The Organization adopted Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, during the year ended December 31, 2023, which introduced a forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including grants and other receivables. The adoption of this accounting standards update did not have a material impact on the Organization's consolidated financial position or the result of its operations and cash flows.

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 credit losses has been made in connection with grant programs.

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 an allowance for credit losses reflecting management's best estimate of the amounts that will not be collected. Notes receivable known to be uncollectible are written off directly.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment – Purchases of capital assets and expenditures which 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

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, 2023 and 2022.

Advertising – The Organization incurred $68,487 and $36,253 in advertising expense during the years ended December 31, 2023 and 2022, respectively. These costs were expensed when incurred.

Taxes on Income – Intend received a determination from the Internal Revenue Service stating 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, Properties, and Gramse are single-member limited liability companies with Intend as their sole member. For tax purposes, Build Fund, Edge Fund, Affordable HomeMatters, Renew Landbank, Properties, and Gramse 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, 2023 and 2022, 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 not 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, 2019 are open to audit for both federal and state purposes.

Subsequent Events – The Organization evaluated subsequent events through June 13, 2024, 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 - 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 $2,286,718 and $1,063,290 as of December 31, 2023 and 2022, respectively.

NOTE 4 - RENTAL REAL ESTATE

Rental properties consisted of 14 housing units and were comprised of the following as of December 31:

	2023	2022
Land	$ 75,000	$ 75,000
Buildings and improvements	798,422	798,422
Less: accumulated depreciation	(387,696)	(361,082)
	$ 485,726	$ 512,340

NOTE 5 - 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).

NOTE 5 - FAIR VALUE MEASUREMENTS, Continued

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

2023	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,164,953	$ -	$ -	$ 1,164,953
Exchange traded funds	462,025	-	-	462,025
Investments at fair value	$ 1,626,978	$ -	$ -	$ 1,626,978

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 6 - 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:

2023	Number of Notes Outstanding	Balances of Notes Outstanding	Interest Rate Range	Maturity Date Range
Notes receivable - corporate				
Build Fund	20	$25,000 - $767,000	4.0% - 8.0%	Mar. 2024 - Mar. 2031
Edge Fund	3	$644,000 - $3,000,000	2.0% - 3.0%	Jan. 2025 - Sep. 2028
Notes receivable - personal				
Edge Fund	76	$27,000 - $216,000	.5% - 3.0%	Jan. 2049 - Feb. 2054

NOTE 6 - NOTES RECEIVABLE, Continued

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

Interest income from notes receivable is recorded monthly in accordance with the amortization schedules supporting the notes.

The allowance for credit losses accounts totaled $1,952,648 as of December 31, 2023, which is comprised of an allowance against notes receivable - corporate of $912,050 and notes receivable - personal of $1,040,598. The allowance for credit losses 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.

Credit loss expense is comprised of known losses incurred in the current year plus the net increase in the allowance for credit losses as presented on the consolidated statements of functional expenses.

NOTE 7 - PROPERTY AND EQUIPMENT

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

	2023	2022
Leasehold improvements	$ 28,957	$ 28,957
Office equipment	93,253	93,253
Less: accumulated depreciation	(116,039)	(111,599)
Property and equipment, net	$ 6,171	$ 10,611

NOTE 8 - 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 $600,009 and $1,006,913 as of December 31, 2023 and 2022, respectively, representing grant receipts in excess of loans made and related costs.

A portion of the refundable advances recorded by Edge Fund pertained 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 each of the years ended December 31, 2023 and 2022, for a total of $540,000 in revenue and expenses during both years ended December 31, 2023 and 2022.

NOTE 9 - LINE OF CREDIT

The Organization entered into a line of credit agreement with a bank in April 2023. The line of credit has $1,500,000 of available borrowings until April 2025, at which time the outstanding portion of the line of credit converts to a term loan maturing in April 2030. Borrowings under the line of credit bear interest at the bank’s prime lending rate (8.5% at December 31, 2023). The line of credit is secured by substantially all assets of the Organization. Borrowings on the line of credit were $500,000 at December 31, 2023.

NOTE 10 - NOTES PAYABLE

Notes payable consisted of the following as of December 31:

	2023	2022
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.	$ 546,247	$ 556,353
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. A final balloon payment of all unpaid principal and interest was made on its maturity date in December 2023.	-	2,282,531
Note payable to PNC Community Development Company, LLC; unsecured. The note is structured as an Equity-Equivalent investment (“EQ2”) and is subordinate to all other debt held by the Organization. The note accrues interest at 2% per annum; a final balloon payment of all unpaid principal and interest on its maturity date in July 2028. Management expects the note to be renewed by PNC before maturity.	1,000,000	-
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	2,000,000
	3,669,247	4,961,884
Less: current portion	(2,010,724)	(2,292,646)
Long-term portion	$ 658,523	$ 2,669,238

NOTE 10 - NOTES PAYABLE, Continued

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

2024	$ 2,010,724
2025	11,379
2026	12,075
2027	12,813
2028	1,013,596
Thereafter	608,660
	$ 3,669,247

The Organization incurred debt issuance costs associated with notes payable. These debt issuance costs are amortized over the lives of the related notes payable. Debt issuance costs were $68,846 and $47,466 as of December 31, 2023 and 2022, respectively. Accumulated amortization of debt issuance costs totaled $16,478 and $25,018 as of December 31, 2023 and 2022, respectively. Amortization expense is included with interest expense on the consolidated statements of activities and change in net assets.

NOTE 11 - NET ASSETS

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

	2023	2022
Financial assistance (loan fund)	$ 126,024	$ 339,561
Community engagement	119,748	50,258
Other	44,561	41,121
	$ 290,333	$ 430,940

Net assets released from donor restrictions due to the satisfaction of donor-imposed restrictions were as follows for the years ended December 31:

	2023	2022
Financial assistance (loan fund)	$ 213,717	$ 395,411
Community engagement	17,510	-
Technical assistance	-	53,385
	$ 231,227	$ 448,796

Net assets without donor restrictions includes Board-designated balances of $1,215,000 and $1,250,000 as of December 31, 2023 and 2022, respectively, to cover unanticipated budget shortfalls. In 2022, the Board removed the capital available for lending restriction.

NOTE 12 - GRANT FUNDING

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

	2023	2022
FEDERAL PASS-THROUGH AWARDS		
City of Indianapolis	$ 482,085	$ 279,367
FEDERAL DIRECT AWARDS		
Department of Treasury	1,065,988	3,454,830
NeighborWorks	436,000	386,000
	1,501,988	3,840,830
Total federal awards	1,984,073	4,120,197
STATE AND LOCAL GRANTS		
National Urban League	181,934	329,600
Health and Hospital Corporation of Marion County	197,779	539,324
City of Indianapolis	-	100,000
LISC	40,000	20,000
Cummins	540,000	540,000
Other	209,687	163,183
Total state and local grants	1,169,400	1,692,107
Total grant funding	$ 3,153,473	$ 5,812,304

NOTE 13 - 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 14 - LEASE OBLIGATIONS

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:

	2023	2022
Operating lease cost	$ 66,870	$ 65,410
Amortization of finance leased assets	(5,192)	(6,981)
	$ 61,678	$ 58,429

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

2024	$ 68,376
2025	69,829
2026	5,836
	144,040
Less: imputed interest	(4,605)
Total lease liability	$ 139,435

NOTE 15 - 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 16 - 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:

	2023	2022
Financial assets	$ 28,074,906	$ 29,188,381
Less: donor restrictions for specific purposes	(290,333)	(430,940)
Less: long-term portion of notes receivable	(16,513,997)	(14,815,051)
Less: restrictions due to Board-designation	(1,215,000)	(1,250,000)
Financial assets available for general use within one year	$ 10,055,576	$ 12,692,390

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, 2023, the Organization has approximately $10,056,000 in financial assets available for general use within one year, which represents over two years worth of financial assets available considering consolidated total expenses incurred during the year ended December 31, 2023.

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.

NOTE 17 - SUBSEQUENT EVENT

Investment in Leverage Lender – On March 14, 2024, the Organization invested in a Leverage Lender for the purpose of taking advantage of the New Markets Tax Credit ("NMTC") program. The NMTC program provides tax credit incentives to investors who invest in low-income communities and is administered by the U.S. Treasury Department. The Organization's investment in the Leverage Lender totaled $3,459,500 and represents a 20% ownership stake. As part of the arrangement, the Organization secured a 20-year loan from a community development entity which received tax credit allocation. The loan is in the amount of $4,875,000. The loan proceeds are to be used solely for the purpose of acquiring, rehabbing and/or constructing single-family homes in low-income communities and selling at least 20% of such homes to low-income borrowers. The loan will bear interest at a rate of approximately .71% per year. Semi-annual payments of interest only are due in years one to seven with fully amortizing quarterly payments of principal and interest due in years eight through twenty.

NOTE 17 - SUBSEQUENT EVENT, Continued

At the end of the compliance period, in connection with this arrangement, the members of the Leverage Lender have the option to purchase American Express NMTC Homeownership Fund LLC's ownership interest in the Investment Fund. Exercise of this option will effectively allow the Organization to extinguish its debt owed to the community development entity.

SUPPLEMENTARY INFORMATION

INTEND INDIANA, INC. AND AFFILIATES
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

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	PO1300003085	$ 334,851
Home Investment Partnership Program	14.239	PO1300005520	147,234
Total U.S. Department of Housing and Urban Development			482,085
U.S. DEPARTMENT OF TREASURY			
Community Development Financial Institutions Program	21.020	221FA060386	25,057
Community Development Financial Institutions Program	21.020	221FA060372	560,000
Community Development Financial Institutions Rapid Response Program	21.024	21RRP056618	315,784
Coronavirus State and Local Fiscal Recovery Funds	21.027	13FG-ARPIndyAMP-1	218,199
Coronavirus State and Local Fiscal Recovery Funds	21.027		92,818
Total U.S. Department of Treasury			1,211,858
NEIGHBORWORKS SYSTEM PROGRAM	21.115.141		371,510
Total federal awards expended			$ 2,065,453

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

INTEND INDIANA, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

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, 2023. 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, 2023

	Intend Indiana	Build Fund	Edge Fund	Affordable HomeMatters	Renew Landbank	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Cash	$ 724,300	$ 2,861,629	$ 1,379,982	$ 309,402	$ 69,807	$ -	$ 5,345,120
Cash - restricted	31,816	-	-	-	-	-	31,816
Receivables:							
Grants	182,235	250,000	231,634	365,221	-	-	1,029,090
Other	2,444,755	-	-	414,560	-	(2,441,295)	418,020
Prepaid expenses	63,423	-	13,300	-	-	-	76,723
Current portion of notes receivable - corporate	-	478,565	2,080,000	-	-	-	2,558,565
Current portion of notes receivable - personal	-	-	551,320	-	-	-	551,320
Investments	1,048,337	134,733	443,908	-	-	-	1,626,978
Total current assets	4,494,866	3,724,927	4,700,144	1,089,183	69,807	(2,441,295)	11,637,632
PROPERTY AND EQUIPMENT, NET	6,171	-	-	-	-	-	6,171
OTHER ASSETS							
Investments in real estate	655,942	-	-	1,630,776	-	-	2,286,718
Rental real estate, net	485,726	-	-	-	-	-	485,726
Right of use asset - operating leases	139,435	-	-	-	-	-	139,435
Notes receivable - corporate, net of current portion and allowance for credit losses	-	5,292,055	2,407,884	-	-	-	7,699,939
Notes receivable - personal, net of current portion and allowance for credit losses	-	-	8,814,058	-	-	-	8,814,058
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)	-
Total other assets	3,403,654	5,292,055	11,221,942	1,630,776	-	(2,122,551)	19,425,876
TOTAL ASSETS	$ 7,904,691	$ 9,016,982	$ 15,922,086	$ 2,719,959	$ 69,807	$ (4,563,846)	$ 31,069,679
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Current portion of notes payable	$ 2,010,724	$ -	$ 2,000,000	$ -	$ -	$ (2,000,000)	$ 2,010,724
Current portion of operating lease liabilities	65,080	-	-	-	-	-	65,080
Line of credit	500,000	-	-	-	-	-	500,000
Accounts payable	182,647	73,137	102,124	782,061	-	(441,295)	698,674
Accrued payroll and benefits	141,342	-	-	-	-	-	141,342
Grant obligations payable	-	-	-	-	-	-	-
Refundable advances	-	600,009	-	-	-	-	600,009
Total current liabilities	2,899,793	673,146	2,102,124	782,061	-	(2,441,295)	4,015,829
LONG-TERM LIABILITIES							
Notes payable, net of current portion	658,523	-	1,000,000	-	-	-	1,658,523
Less: unamortized debt issuance costs	(13,200)	-	(13,514)	(25,654)	-	-	(52,368)
Operating lease liabilities, net of current portion	74,355	-	-	-	-	-	74,355
Security deposits	9,472	-	-	-	-	-	9,472
Total long-term liabilities	729,150	-	986,486	(25,654)	-	-	1,689,982
TOTAL LIABILITIES	3,628,943	673,146	3,088,610	756,407	-	(2,441,295)	5,705,811
NET ASSETS							
Contributed funds - Intend Indiana, Inc.	-	-	922,551	1,150,000	50,000	(2,122,551)	-
Without donor restrictions:							
Board-designated	585,000	210,000	420,000	-	-	-	1,215,000
Undesignated	3,526,439	8,007,812	11,490,925	813,552	19,807	-	23,858,535
With donor restrictions	164,309	126,024	-	-	-	-	290,333
Total net assets	4,275,748	8,343,836	12,833,476	1,963,552	69,807	(2,122,551)	25,363,868
TOTAL LIABILITIES AND NET ASSETS	$ 7,904,691	$ 9,016,982	$ 15,922,086	$ 2,719,959	$ 69,807	$ (4,563,846)	$ 31,069,679

See independent auditors' report

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							
CURRENT 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
Current portion of notes receivable - corporate	-	953,616	-	-	-	-	953,616
Current portion of notes receivable - personal	-	-	220,415	-	-	-	220,415
Investments	698,323	150,129	397,517	-	-	-	1,245,969
Total current assets	7,379,525	3,429,602	4,927,160	2,117,202	69,807	(3,470,659)	14,452,637
PROPERTY AND EQUIPMENT, NET	10,611	-	-	-	-	-	10,611
OTHER ASSETS							
Investments in real estate	257,909	-	-	805,381	-	-	1,063,290
Rental real estate, net	512,340	-	-	-	-	-	512,340
Right of use asset - operating leases	201,113	-	-	-	-	-	201,113
Notes receivable - corporate, net of current portion and allowance for credit losses	-	4,859,679	3,287,000	-	-	-	8,146,679
Notes receivable - personal, net of current portion and allowance for credit losses	-	-	6,668,372	-	-	-	6,668,372
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)	-
Total other assets	3,093,913	4,859,679	9,955,372	805,381	-	(2,122,551)	16,591,794
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							
CURRENT LIABILITIES							
Current portion of notes payable	$ 2,292,646	$ -	$ -	$ -	$ -	$ -	$ 2,292,646
Current portion of operating lease liabilities	61,678	-	-	-	-	-	61,678
Accounts payable	362,348	48,699	128,269	1,411,129	-	(1,470,659)	479,786
Accrued payroll and benefits	131,904	-	-	-	-	-	131,904
Grant obligations payable	50,000	-	-	-	-	-	50,000
Refundable advances	-	466,913	540,000	-	-	-	1,006,913
Total current liabilities	2,898,576	515,612	668,269	1,411,129	-	(1,470,659)	4,022,927
LONG-TERM LIABILITIES							
Notes payable, net of current portion	2,669,238	-	2,000,000	-	-	(2,000,000)	2,669,238
Less: unamortized debt issuance costs	(22,448)	-	-	-	-	-	(22,448)
Operating lease liabilities, net of current portion	139,435	-	-	-	-	-	139,435
Security deposits	9,090	-	-	-	-	-	9,090
Total long-term liabilities	2,795,315	-	2,000,000	-	-	(2,000,000)	2,795,315
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

See independent auditors' report

INTEND INDIANA, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2023

	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	$ 496,235	$ 87,000	$ 583,235	$ 194,970	$ -	$ 194,970	$ 778,199	$ -	$ 778,199	$ 427,669	$ -	$ 427,669	$ -	$ -	$ -	$ -	$ 1,984,073
State and local grants	2,500	-	2,500	221,934	-	221,934	914,596	-	914,596	30,370	-	30,370	-	-	-		1,169,400
Developer fees	13,503	-	13,503	-	-	-	-	-	-	414,560	-	414,560	-	-	-	-	428,063
Interest income from notes receivable	241,783	-	241,783	403,553	-	403,553	335,554	-	335,554	-	-	-	-	-	-	-	980,890
Rental income	119,371	-	119,371	-	-	-	-	-	-	-	-	-	-	-	-	-	119,371
Contributions	39,750	3,620	43,370	-	-	-	-	-	-	300,000	-	300,000	-	-	-	(300,000)	43,370
Loan origination fees	-	-	-	3,964	-	3,964	43,500	-	43,500	-	-	-	-	-	-	-	47,464
Property management fees	5,100	-	5,100	-	-	-	-	-	-	-	-	-	-	-	-	-	5,100
Other income	6,457	-	6,457	126,219	-	126,219	239,549	-	239,549	-	-	-	-	-	-	-	372,225
Sales of real estate:																	
Proceeds from sale	308,105	-	308,105	-	-	-	-	-	-	1,787,964	-	1,787,964	-	-	-	-	2,096,069
Basis of property	(176,189)	-	(176,189)	-	-	-	-	-	-	(1,348,264)	-	(1,348,264)	-	-	-	-	(1,524,453)
Gain on sales of real estate	131,916	-	131,916	-	-	-	-	-	-	439,700	-	439,700	-	-	-	-	571,616
Net assets released from restrictions	17,690	(17,690)	-	213,537	(213,537)	-		-	-	-	-	-	-	-	-	-	-
Total revenues, support, and gains	1,074,305	72,930	1,147,235	1,164,177	(213,537)	950,640	2,311,398	-	2,311,398	1,612,299	-	1,612,299	-	-	-	-	5,721,572
FUNCTIONAL EXPENSES																	
Program services	951,737	-	951,737	340,647	-	340,647	1,604,521	-	1,604,521	1,120,531	-	1,120,531	-	-	-	(300,000)	3,717,436
Management and general	673,617	-	673,617	31,898	-	31,898	54,959	-	54,959	31,308	-	31,308		-	-	-	791,782
Fundraising	36,291	-	36,291	7,928	-	7,928	32,705	-	32,705	8,362	-	8,362	-	-	-		85,286
Total functional expenses	1,661,645	-	1,661,645	380,473	-	380,473	1,692,185	-	1,692,185	1,160,201	-	1,160,201	-	-	-	(300,000)	4,594,504
CHANGE IN NET ASSETS	(587,340)	72,930	(514,410)	783,704	(213,537)	570,167	619,213	-	619,213	452,098	-	452,098	-	-	-	-	1,127,068
NET ASSETS																	
Beginning of year	4,698,779	91,379	4,790,158	7,434,108	339,561	7,773,669	12,214,263	-	12,214,263	1,511,454	-	1,511,454	69,807	-	69,807	-	26,359,351
End of year	$ 4,111,439	$ 164,309	$ 4,275,748	$ 8,217,812	$ 126,024	$ 8,343,836	$ 12,833,476	$ -	$ 12,833,476	$ 1,963,552	$ -	$ 1,963,552	$ 69,807	$ -	$ 69,807	$ -	$ 27,486,419

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	251,651	-	251,651	-	-	-	-	-	-	-	694,435
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	69,853	-	69,853	-	-	-	-	-	-	-	138,892
Sales 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 sales 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
CONTRIBUTED FUNDS - INTEND INDIANA, INC.	-	-	-	-	-	-	-	-	-	1,150,000	-	1,150,000	50,000	-	50,000	-	1,200,000
CAPITAL REDUCTION TO ELIMINATE INTERCO. BALANCES	-	-	-	-	-	-	(4,000,000)	-	(4,000,000)	-	-	-	-	-	-	-	(4,000,000)
NET ASSETS																	
Beginning of year	4,782,932	37,463	4,820,395	5,673,350	311,319	5,984,669	15,177,016	263,296	15,440,312	-	-	-	-	-	-	-	26,245,376
End of year	$ 4,698,779	$ 91,379	$ 4,790,158	$ 7,434,108	$ 339,561	$ 7,773,669	$ 12,214,263	$ -	$ 12,214,263	$ 1,511,454	$ -	$ 1,511,454	$ 69,807	$ -	$ 69,807	$ -	$ 26,359,351

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, 2023, 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 13, 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.

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 13, 2024

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

Opinion on Each Major Federal Program

We audited Intend Indiana, Inc. and Affiliates' (collectively, the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* which could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above which could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we 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 the Organization'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 the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 an audit conducted in accordance with GAAS, *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, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Organization'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 the Organization's internal control over compliance relevant to the audit in order to design audit procedures 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 the Organization'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 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance which 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 we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist which 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.

DONOVAN

Donovan

Indianapolis, Indiana
June 13, 2023

INTEND INDIANA, INC. AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

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
21.020	Community Development Financial Institutions Program

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.