HVAF OF INDIANA, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Years Ended December 31, 2025 and 2024

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

HVAF OF INDIANA, INC.
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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
HVAF of Indiana, Inc.
Indianapolis, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HVAF of Indiana, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Indianapolis, Indiana
June 19, 2026

HVAF OF INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 8,861,011	$ 6,354,383
Grants, contracts, and contributions receivable	1,365,963	886,918
Insurance proceeds receivable	-	4,579,150
Prepaid expenses and other current assets	261,967	10,405
Total Current Assets	10,488,941	11,830,856
Investments and Other Assets:		
Investments	13,775,044	9,100,010
Developer fee receivable	210,764	210,764
Property and equipment, net	9,596,177	3,129,544
Right-of-use assets - operating	51,569	14,695
Total Assets	$ 34,122,495	$ 24,285,869

The accompanying notes to the financial statements are an integral part of these statements.

HVAF OF INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2025 AND 2024

	2025	2024
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current maturities of long-term debt	$ 27	$ 27
Current lease liability - operating	27,740	7,977
Accounts payable and accrued expenses	325,283	337,052
Accrued wages and payroll tax	258,397	236,301
Deferred revenue	18,410	-
Other liabilities	55,678	48,441
Total Current Liabilities	685,535	629,798
Long-Term Liabilities:		
Lease liability - operating, less current portion	24,690	6,678
Total Long-Term Liabilities	24,690	6,678
Net Assets:		
Without Donor Restrictions:		
Undesignated	20,197,853	13,562,209
Board designated for operations/maintenance reserve	33,093	32,672
Board designated reserve	400,000	400,000
Board designated for building endowment	1,315,443	1,091,314
	21,946,389	15,086,195
With Donor Restrictions:		
Purpose restrictions	7,215,881	4,313,198
Perpetual in nature	4,250,000	4,250,000
	11,465,881	8,563,198
Total Net Assets	33,412,270	23,649,393
Total Liabilities and Net Assets	$ 34,122,495	$ 24,285,869

The accompanying notes to the financial statements are an integral part of these statements.

HVAF OF INDIANA, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and contracts	$ 7,615,041	$ 4,056,513	$ 11,671,554
Contributions	1,470,187	259,592	1,729,779
In-kind contributions	51,193	-	51,193
	9,136,421	4,316,105	13,452,526
Program fees and other revenue	422,297	-	422,297
Insurance income	6,654,364	-	6,654,364
Investment Return:			
Interest and dividends, net of fees	443,511	183,344	626,855
Unrealized loss on investments	(147,913)	(76,593)	(224,506)
Realized gain on investments	270,656	601,142	871,798
Gain on the disposal of property and equipment	448	-	448
Net assets released from restrictions	2,121,315	(2,121,315)	-
	9,764,678	(1,413,422)	8,351,256
Total Support and Revenue	18,901,099	2,902,683	21,803,782
Operating Expenses:			
Program services	9,908,435	-	9,908,435
Support services	2,132,470	-	2,132,470
Total Operating Expenses	12,040,905	-	12,040,905
Change in net assets	6,860,194	2,902,683	9,762,877
Net assets, beginning of year	15,086,195	8,563,198	23,649,393
Net assets, end of year	$ 21,946,389	$ 11,465,881	$ 33,412,270

The accompanying notes to the financial statements are an integral part of these statements.

HVAF OF INDIANA, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and contracts	$ 7,008,185	$ 484,060	$ 7,492,245
Contributions	1,115,631	1,243,179	2,358,810
In-kind contributions	122,905	12,000	134,905
	8,246,721	1,739,239	9,985,960
Program fees and other revenue	442,555	-	442,555
Developer fee income	810	-	810
Investment Return:			
Interest and dividends, net of fees	353,331	68,455	421,786
Unrealized gain on investments	107,318	21,623	128,941
Realized gain on investments	1,560	547,473	549,033
Gain on disposal of property and equipment	5,441,012	-	5,441,012
Net assets released from restrictions	4,604,900	(4,604,900)	-
	10,951,486	(3,967,349)	6,984,137
Total Support and Revenue	19,198,207	(2,228,110)	16,970,097
Operating Expenses:			
Program services	8,899,340	-	8,899,340
Support services	1,815,620	-	1,815,620
Total Operating Expenses	10,714,960	-	10,714,960
Change in net assets	8,483,247	(2,228,110)	6,255,137
Net assets, beginning of year	6,602,948	10,791,308	17,394,256
Net assets, end of year	$ 15,086,195	$ 8,563,198	$ 23,649,393

The accompanying notes to the financial statements are an integral part of these statements.

HVAF OF INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Program Services			Supporting Activities			
	Housing	Other Program Services	Total Program	General and Administrative	Fundraising	Total Supporting	Total
Business expenses	$ 48,648	$ -	$ 48,648	$ 12,135	$ -	$ 12,135	$ 60,783
Client services	3,901,369	80,936	3,982,305	20,053	155	20,208	4,002,513
Depreciation	116,259	-	116,259	220,943	666	221,609	337,868
Employee benefits	293,874	18,649	312,523	54,903	15,980	70,883	383,406
Facility and equipment expenses	345,696	-	345,696	224,260	-	224,260	569,956
Fundraising fees	-	-	-	701	102,885	103,586	103,586
Grants, contracts, & direct assistance	-	-	-	743	-	743	743
IT and telecommunication expenses	39,630	51	39,681	76,407	-	76,407	116,088
Leased equipment expenses	20,788	-	20,788	-	-	-	20,788
Legal and accounting fees	-	-	-	44,567	-	44,567	44,567
Licenses and fees	8,118	161	8,279	3,265	13,708	16,973	25,252
Mailing and production	-	-	-	1,698	3,316	5,014	5,014
Other expenses	22,602	1,110	23,712	93,812	8,985	102,797	126,509
Payroll tax expense	281,289	11,412	292,701	33,059	23,577	56,636	349,337
Professional fees	631,197	2,758	633,955	325,465	3,534	328,999	962,954
Salaries and wages	3,496,287	143,709	3,639,996	427,857	292,403	720,260	4,360,256
Security services	111,600	-	111,600	-	-	-	111,600
Supplies and materials	20,072	590	20,662	3,112	535	3,647	24,309
Travel	14,342	-	14,342	4,676	1,923	6,599	20,941
Utilities	232,711	-	232,711	40,683	-	40,683	273,394
Vehicle expense	64,577	-	64,577	76,464	-	76,464	141,041
	$ 9,649,059	$ 259,376	$ 9,908,435	$ 1,664,803	$ 467,667	$ 2,132,470	$ 12,040,905

The accompanying notes to the financial statements are an integral part of these statements.

HVAF OF INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services			Supporting Activities			
	Housing	Other Program Services	Total Program	General and Administrative	Fundraising	Total Supporting	Total
Business expenses	$ 334	$ -	$ 334	$ 3,633	$ -	$ 3,633	$ 3,967
Client services	3,350,236	61,305	3,411,541	15,923	180	16,103	3,427,644
Depreciation	94,830	-	94,830	335,637	666	336,303	431,133
Employee benefits	261,106	19,205	280,311	49,230	11,925	61,155	341,466
Facility and equipment expenses	327,121	-	327,121	3,683	-	3,683	330,804
Fundraising fees	2,334	-	2,334	10	74,085	74,095	76,429
IT and telecommunication expenses	48,946	926	49,872	24,658	-	24,658	74,530
Leased equipment expenses	-	-	-	20,714	-	20,714	20,714
Legal and accounting fees	-	-	-	43,848	-	43,848	43,848
Licenses and fees	8,574	222	8,796	10,702	3,121	13,823	22,619
Mailing and production	-	-	-	1,710	834	2,544	2,544
Other expenses	1,502	20	1,522	9,951	3,131	13,082	14,604
Payroll tax expense	258,594	10,799	269,393	29,953	23,442	53,395	322,788
Professional fees	663,932	3,112	667,044	289,770	3,771	293,541	960,585
Salaries and wages	3,225,528	135,517	3,361,045	373,091	290,545	663,636	4,024,681
Security services	106,200	-	106,200	-	-	-	106,200
Supplies and materials	9,635	187	9,822	5,703	257	5,960	15,782
Travel	4,633	-	4,633	1,613	1,730	3,343	7,976
Utilities	229,089	1,467	230,556	46,818	-	46,818	277,374
Vehicle expense	73,986	-	73,986	135,286	-	135,286	209,272
	$ 8,666,580	$ 232,760	$ 8,899,340	$ 1,401,933	$ 413,687	$ 1,815,620	$ 10,714,960

The accompanying notes to the financial statements are an integral part of these statements.

HVAF OF INDIANA, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 9,762,877	$ 6,255,137
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	337,868	431,133
Gain on property and equipment disposals	(448)	(5,441,012)
Realized and unrealized gain on investments	(647,292)	(677,974)
Change in operating lease right-of-use assets	26,361	7,463
Change in finance lease right-of-use assets	-	12,832
Insurance income received for property and equipment	(5,051,403)	-
(Increase) decrease in:		
Grants, contracts and contributions receivable	(479,045)	13,807
Insurance proceeds receivable	370,569	-
Prepaid expenses	(251,562)	3,318
Developer fee receivable	-	166,547
Increase (decrease) in:		
Operating lease liabilities	(25,460)	(7,356)
Accounts payable and accrued expenses	(11,769)	(48,197)
Accrued wages and payroll taxes	22,096	54,739
Deferred revenue	18,410	-
Miscellaneous other liabilities	7,237	1,081
Net cash flows from operating activities	4,078,439	771,518
Cash flows from investing activities:		
Purchases of property and equipment	(6,804,930)	(867,976)
Proceeds from disposals of property and equipment	877	-
Proceeds from insurance received for property and equipment	9,259,984	2,500,000
Purchase of investments	(12,296,877)	(12,334,577)
Proceeds from sale of investments	8,269,135	13,879,219
Net cash flows from investing activities	(1,571,811)	3,176,666
Cash flows from financing activities:		
Payments on finance lease obligations	-	(19,502)
Net cash flows from financing activities	-	(19,502)
Net change in cash and cash equivalents	2,506,628	3,928,682
Cash and cash equivalents, beginning of year	6,354,383	2,425,701
Cash and cash equivalents, end of year	$ 8,861,011	$ 6,354,383

The accompanying notes to the financial statements are an integral part of these statements.

HVAF OF INDIANA, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Supplemental disclosures of cash flow information:		
In-kind contributions	$ 51,193	$ 134,905
Proceeds from disposal of property and equipment included in insurance proceeds receivable	$ -	$ 4,208,581
Noncash investing and financing transactions:		
Operating lease right-of-use asset obtained in exchange for lease obligation	$ 63,235	$ 9,160

The accompanying notes to the financial statements are an integral part of these statements.

Note 1—Nature of organization and operations

HVAF of Indiana, Inc. (the "Organization") was established in 1993 to provide supportive housing and employment services to Indiana veterans and their families. The Organization has grown over more than 30 years to provide a variety of housing options with intensive case management services, including transitional housing, rapid rehousing and rental assistance, and permanent supportive housing. Additionally, the Organization provides employment assistance, legal services, and basic needs support through the food, clothing, and hygiene pantries. In total, HVAF served 1,359 and 1,346 veterans in 2025 and 2024, respectively.

The Organization's major programs are administered through the Department of Veterans Affairs ("VA"). It provides housing to more than 200 previously homeless veterans through a mix of properties that include free-standing homes and apartment complexes throughout Central Indiana. Some of the Organization's properties have been donated by members in the community. The Organization had assistance in purchasing buildings from the VA and United Way of Central Indiana.

Supportive Services for Veteran Families Program ("SSVF") and the Grant and Per Diem Program ("GPD") help eligible veteran families with outreach, case management, and assistance in obtaining VA and other benefits including assisting clients with budgeting and creating a stability plan. In addition, qualified veterans may also be eligible for limited payments to third parties (e.g., landlords, utility companies, moving companies, and licensed childcare providers) if these payments help veteran families stay in or acquire permanent housing.

Note 2—Summary of significant accounting policies

A summary of the Organization's significant accounting policies are as follows:

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Accounting Standards Codification ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative U.S. GAAP.

Financial Statement Presentation – The Organization follows the guidance of FASB Topic 958, *Not-for-Profit Entities*. Under this topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classes of net assets are further discussed below.

> *Net Assets Without Donor Restrictions* – Net assets without donor restrictions result from all activities in which no donor-imposed restrictions were stipulated beyond the general stated purposes of the Organization. Net assets without donor restrictions consist of two categories: undesignated funds and designated funds. Undesignated funds are available for any purpose within the scope of the Organization's activities. Designated funds have been appropriated by the Board of Directors of the Organization for a specific activity or group of activities. Such designations could be changed by action of the board.
>
> *Net Assets With Donor Restrictions* – Net assets with donor restrictions include net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or are fulfilled and removed by actions of the Organization, pursuant to those stipulations. As the restrictions are met, the net assets are released from restrictions and included in net assets without donor restrictions.

Cash and Cash Equivalents – The Organization's cash and cash equivalents consist of checking and money market accounts. The Organization maintains the accounts at one commercial bank. The accounts are partially insured by the Federal Deposit Insurance Corporation. The balances, at times, may exceed federally insured limits. To date, there have been no losses on such accounts.

Note 2—Summary of significant accounting policies (continued)

Concentration of Credit Risk – The Organization is substantially funded by grants awarded by the federal government and City of Indianapolis. The majority of the agreements contain provisions which permit the arrangements to be terminated or the funds provided to be reduced if the unit of government does not appropriate an adequate amount of funds to maintain the current funding levels. Any excess funds on hand under cost reimbursement grants at the termination date would be subject to refund if such funds exceeded the accrued expenditures allowable under the grants and contracts at that date. In the normal course of operations, the Organization receives grant funds from various federal and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds.

The Organization has grants and contracts with various federal, state, and local governmental agencies and departments. Approximately 58% and 86% of total grant and contract revenue was received from two agencies in 2025 and 2024, respectively. In addition, approximately 29% of total grant and contract revenue was received from one grantor in 2025.

Grants, Contracts, and Contributions Receivable – Grants, contracts, and contributions receivable consists of amounts management expects to collect from grantors, donors, and other performance-based program reimbursements, and are reported at net realizable value. All amounts are expected to be collected within one year, and none are considered uncollectible as of December 31, 2025 or 2024.

Developer Fee Receivable – Revenues from development contracts are recognized as receivable upon the completion of specific events outlined in the development agreement (see Note 7). The developer fee receivable is reported at the principal balance outstanding, net of loan loss reserve. The allowance for loan losses is based on an annual evaluation of credit quality indicators for the loan. Allowance for loan losses and recoveries on loan amounts previously charged off are added to the allowance. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

Under U.S. GAAP, loans considered to be impaired are reduced to the present value of expected future cash flows, by allocating a portion of the allowance for loan losses to such loans. If these allocations cause the allowance for loan losses to require an increase, the increase is reported as provision for loan losses.

Investments – The Organization carries investments in marketable securities with a readily determinable fair value, and all investments in debt securities, at their fair values in the statements of financial position. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded at cost on the trade date. Gains and losses on the sale of investments are determined using the specific identification method. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the Organization’s financial statements.

Fair Value of Financial Instruments – The *Financial Instruments Topic* of FASB Codification requires disclosure of an estimate of fair value of certain financial instruments. The Organization’s significant financial instruments are cash, marketable debt and equity securities, and other short-term assets and liabilities. For these financial instruments, carrying value approximates fair value.

Note 2—Summary of significant accounting policies (continued)

Investment in Limited Partnership – The Organization's investment in a Limited Partnership (see Note 7) has been recorded under the equity method of accounting whereas the initial investment is recorded at cost. The Organization adjusts the carrying amount of the investment to recognize the Organization's share of the results of operations after the date of initial investment. Distributions received reduce the carrying amount of the investment, while additional contributions increase the carrying amount.

Property and Equipment – Property and equipment are stated at cost. Donated property and equipment is recorded at fair value. The Organization's capitalization policy is $5,000 for assets purchased with an estimated useful life of three years or more. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Estimated useful lives for furniture, equipment, and vehicles range from 3 to 10 years and buildings and improvements range from 10 to 30 years.

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate the carrying value may not be fully recoverable. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. During the years ended December 31, 2025 and 2024, there was no impairment loss recognized on long-lived assets. See Note 14.

Expenditures for property and equipment and for renewals or betterments which extend the originally estimated economic life of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense. When an asset is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statements of activities.

Support and Revenues – The Organization receives support from private contributions and grants, and recognizes this support when an unconditional contribution is received. Conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions and grants recognized are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Restricted support is reported as net assets without donor restrictions when the restriction is met in the same period that the contribution is received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

The Organization reports gifts of property and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions specifying how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Program service revenue is recognized when earned at the time the service is performed. Program service fees received in advance are included in deferred revenue until the related services are performed.

Note 2—Summary of significant accounting policies (continued)

The Organization earns developer fees for projects it develops or co-develops. Developer fee revenue is recognized as it is earned under the terms of the underlying development agreement.

Leases – The Organization leases vehicles and office equipment. The Organization determines if an arrangement is a lease at inception.

Right-of-use ("ROU") assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. If a lease agreement does not include an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Utilization of a risk-free rate is a practical expedient allowed if no rate is implicit in the lease. ROU assets also include adjustments related to prepaid or deferred lease payments and lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that option will be exercised. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized over the shorter of their estimated useful life or the term of the lease.

For short-term leases, (that is a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset the Organization is reasonably certain to exercise), an ROU asset and lease liability is not recognized. Instead lease payments are recognized in the statements of activities and changes in net assets on a straight-line basis over the lease term and any variable lease payments are recognized when the obligation for those payments is incurred. Operating leases are included in operating lease ROU assets and operating lease liabilities (current and noncurrent) in the statements of financial position. Finance leases are included in finance lease ROU assets and finance lease liabilities (current and noncurrent) in the statements of financial position.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In-kind Contributions – Donations of materials, equipment, and services are recorded in the accompanying financial statements at their estimated fair value at the date of receipt. Contributions of donated services that require specialized skills and would typically be purchased if not provided by donation are recorded at their fair value in the period received. During the years ended December 31, 2025 and 2024, donated goods and services totaled $51,193 and $134,905, respectively. The donated goods consist of basic needs items such as food, clothing, and hygiene supplies which are valued based on an estimated value per pound distributed. The donated goods are used in various Organization initiatives and are not donor restricted.

A substantial number of volunteers have donated time to the Organization. However, since an objective basis is not available to measure the value of the donated time, no amounts have been included in the accompanying financial statements.

Functional Expenses – Expenses are reported as decreases in net assets without donor restrictions when incurred. In the statements of functional expenses, costs not specifically related to program services are allocated in accordance with management's estimates of program support requirements. Indirect costs are allocated to each program area according to the percentages of beds at the transitional housing locations. The indirect cost allocation also includes a percentage based on the properties and grants.

Note 2—Summary of significant accounting policies (continued)

Income Taxes – The Organization is exempt from federal and state income taxes on its related activities under Internal Revenue Service Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been made.

The Organization files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempt status and the taxability of any unrelated business income.

The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statements of activities.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Evaluation of Subsequent Events – The Organization has evaluated subsequent events through June 19, 2026, which is the date the financial statements were available to be issued.

Note 3—Property and equipment

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

	2025	2024
Land	$ 395,000	$ 395,000
Buildings, houses and improvements	6,747,990	6,750,307
Furniture and office equipment	259,218	332,052
Vehicles	314,813	215,008
Construction in progress	7,092,579	475,000
	14,809,600	8,167,367
Less accumulated depreciation	(5,213,423)	(5,037,823)
Total property and equipment, net	$ 9,596,177	$ 3,129,544

Note 4—Liquidity and availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization is substantially supported by grants and contributions. Some donors place restrictions which require resources to be used in a particular manner or in a future period. The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

Note 4—Liquidity and availability (continued)

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, earnings on investments, and a line of credit. The Organization's endowment funds consists of donor-restricted funds and board-designated funds. Income from donor-restricted funds is restricted for specific purposes and, therefore, is not available for general expenditure. Board-designated funds have been appropriated by the board for a specific activity or group of activities. Such designations could be changed by action of the board.

The following table reflects the Organization's financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or board-designated restrictions. Included in the financial assets below are insurance proceeds maintained in cash and cash equivalents. All proceeds will be used for the purpose of construction costs related to the casualty loss (see Note 14). Insurance proceeds receivable as of December 31, 2025 and 2024 in the amount of $-0- and $4,579,150, respectively, are not included in the financial assets below. In the event the need arises to utilize the board-designated funds for liquidity purposes, the funds could be drawn upon through board resolution.

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 8,861,011	$ 6,354,383
Grants, contracts, and contributions receivable	1,365,963	886,918
Investments	13,775,044	9,100,010
Total financial assets	24,002,018	16,341,311
Less amounts not available to be used within one year:		
Investments held for endowment	(6,035,717)	(5,327,825)
Donor-imposed restrictions	(5,430,164)	(3,235,373)
Board-designated funds	(1,748,536)	(1,523,986)
Financial assets not available to be used within one year	(13,214,417)	(10,087,184)
Financial assets available to meet general expenditures within one year	$ 10,787,601	$ 6,254,127

Note 5—Investments

Investments are presented in the financial statements at fair value. Investments at December 31, are comprised of the following:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Money market funds	$ 465,247	$ 465,247	$ 165,822	$ 165,822
Certificates of deposit	-	-	90,000	89,621
Equity securities	-	-	2,018,728	2,472,899
Fixed income	6,131,504	6,165,588	4,028,179	4,018,242
Mutual funds	2,483,976	2,521,436	395,979	367,276
Exchange-traded funds ("ETFs")	4,146,830	4,622,773	1,629,116	1,986,150
	$ 13,227,557	$ 13,775,044	$ 8,327,824	$ 9,100,010

Net return on investments was as follows for the years ended December 31:

	2025	2024
Investment income, net of related expenses of $33,401 and $53,665, respectively	$ 626,855	$ 421,786
Unrealized (loss) gain	(224,506)	128,941
Realized gain	871,798	549,033
Net investment return	$ 1,274,147	$ 1,099,760

Note 6—Fair value measurements

The Organization utilizes a framework for measuring fair value. That framework provides a fair value hierarchy that 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Quoted market prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which the transaction for the asset or liability occurs with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data, such as quoted prices for similar assets or liabilities or model-derived valuations.

Level 3 – Unobservable inputs that are supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Note 6—Fair value measurements (continued)

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are measured and reported on a fair value basis. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. The Organization does not have significant Level 3 assets or liabilities. During the years ended December 31, 2025 and 2024, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

The following are descriptions of the valuation methodologies used for assets measured at fair value:

Money Market Funds – Valued at the net asset value ("NAV") of shares held at year-end.

Certificates of Deposit – Valued by discounting cash flows based on interest rates of similar instruments with similar credit ratings and duration.

Registered Equity Securities – Valued at the closing price of the active market in which the security is traded.

Fixed Income – Valued under the income approach by the trustee using recently executed transactions, discounted expected future cash flows, market price quotations (where observable), or bond spreads.

Mutual Funds – Valued at NAV of shares held at year-end.

Exchange – Traded Funds – Valued at the listing closing price of shares held at year-end.

Assets measured at fair value as of December 31 are summarized as follows:

	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ -	$ 465,247	$ -	$ 465,247
Fixed income:				
Government bonds	-	6,165,588	-	6,165,588
Mutual funds:				
US equity	617,288	-	-	617,288
International equity	585,176	-	-	585,176
Fixed income	1,318,972	-	-	1,318,972
Exchange-traded funds:				
US equity	3,209,004	-	-	3,209,004
International equity	881,483	-	-	881,483
Fixed income	532,286	-	-	532,286
Total investments	$ 7,144,209	$ 6,630,835	$ -	$ 13,775,044

Note 6—Fair value measurements (continued)

	2024			
	Level 1	Level 2	Level 3	Total
Money market funds	$ -	$ 165,822	$ -	$ 165,822
Certificates of deposit	-	89,621	-	89,621
Equity securities:				
Common stock	1,966,020	-	-	1,966,020
International stock	506,879	-	-	506,879
Fixed income:				
Government bonds	-	3,260,496	-	3,260,496
Corporate bonds	-	576,803	-	576,803
Municipal bonds	-	150,881	-	150,881
Foreign bonds	-	30,062	-	30,062
Mutual funds:				
Fixed income	281,299	-	-	281,299
International equity	85,977	-	-	85,977
Exchange-traded funds:				
Equities	1,986,150	-	-	1,986,150
Total investments	$ 4,826,325	$ 4,273,685	$ -	$ 9,100,010

Note 7—Related party transactions

The Organization purchased services from a board member's company during 2025 and 2024. These services relate to providing consulting and accounting services to the Organization. The Organization paid this company $272,478 and $306,447 in 2025 and 2024, respectively.

The Organization is the sole member of the General Partner (HVAF Proctor Place GP, LLC) of Proctor Place Limited Partnership which was established to construct, own, and maintain a low-income housing tax credit property. The General Partner holds 0.009% of the Limited Partnership. As of December 31, 2025 and 2024, no amounts had been contributed to Proctor Place Limited Partnership.

The Organization entered into a Development Agreement with Proctor Place Limited Partnership ("Proctor Place") during the year ended December 31, 2020 to develop the 61-unit housing project. The agreement provides for a total fee of $406,586 for services detailed in the agreement. The fees were earned over various stages of construction. As of December 31, 2025, the full amount had been earned. The fees are paid upon the satisfaction of specific conditions as outlined in the development agreement. During the years ended December 31, 2025 and 2024, developer fees received were $-0- and $166,547, respectively. As of both December 31, 2025 and 2024, developer fees receivable amounted to $210,764. During 2023, the Organization entered into a Developer Note in the amount of $199,176 for the amount of fees that will be deferred and paid from available cash flow of Proctor Place. The note bears interest at a rate of 2% per annum with a maturity date of December 31, 2038. Interest receivable at December 31, 2025 and 2024 is included under developer fee receivable in the statements of financial position.

Note 7—Related party transactions (continued)

The developer fee receivable is current, accruing, and performing as of December 31, 2025 and 2024 and, thus, the receivable has not been placed on nonaccrual status. The receivable is not impaired. There were no significant modifications made to the original terms or any troubled debt restructurings during the years ended December 31, 2025 and 2024.

Credit quality indicators are based on whether or not the receivable is performing in accordance with the terms of the note agreement and the Development Agreement. The information for the credit quality indicators is updated on an annual basis. At December 31, 2025 and 2024, the receivable was considered to be performing in accordance with the terms of the aforementioned agreements. Management has determined the allowance for loan losses as of December 31, 2025 and 2024 to be immaterial to the financial statements, and thus no allowance has been recorded. Additionally, there was no write-off of the receivable during the years ended December 31, 2025 and 2024. The loan loss assumptions used to determine the allowance for loan losses are based on the Federal Reserve delinquency rates, adjusted for current conditions and supportable forecasts.

In accordance with the terms of the Development Agreement and Partnership Agreement, the Organization will be required to make a capital contribution to Proctor Place for any unpaid balance upon the maturity date of the note.

Note 8—Net assets with donor restrictions

Net assets with donor restrictions consist of the following at December 31:

	2025	2024
Purpose restrictions:		
Housing program	$ 1,450,743	$ 516,507
Moreau housing	121,265	134,448
Building improvements	-	547
Roofing repairs at Carson apartments	13,251	13,251
Lilly Endowment fund	1,802,267	1,095,562
Therapy services and equitable access	75,000	50,000
VetWorks	2,818,788	1,762,196
Employment programs	118,769	108,366
Kit builds	-	1,912
Basic needs	207,213	-
Manchester fire	608,585	630,409
Restricted in perpetuity:		
Lilly Endowment fund	4,250,000	4,250,000
	$ 11,465,881	$ 8,563,198

Note 9—Endowment

The Organization's endowment consists of two funds established for specific purposes. Its endowment includes donor-restricted contributions from Lilly Endowment to provide long-term organizational and operational sustainability and a fund designated by the Board of Directors to support ongoing maintenance needs of the Organization. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Organization is subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and, thus, classified amounts in its donor-restricted endowment fund as net assets with donor restrictions because those net assets are purpose restricted until the Board of Directors appropriates such amounts for expenditure. The Board of Directors of the Organization has interpreted UPMIFA as not requiring the maintenance or purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment fund, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Endowment net asset composition by type of fund as of December 31, 2025 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	$ 1,315,443	$ -	$ 1,315,443
Donor-restricted endowment fund:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	4,250,000	4,250,000
Accumulated investment gains	-	1,802,267	1,802,267
	$ 1,315,443	$ 6,052,267	$ 7,367,710

Note 9—Endowment (continued)

Endowment net asset composition by type of fund as of December 31, 2024 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	$ 1,091,314	$ -	$ 1,091,314
Donor-restricted endowment fund:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	4,250,000	4,250,000
Accumulated investment gains	-	1,095,562	1,095,562
	$ 1,091,314	$ 5,345,562	$ 6,436,876

Changes in endowment net assets for the years ended December 31, 2025 and 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2024	$ 864,349	$ 4,928,542	$ 5,792,891
Contributions	50,000	17,737	67,737
Investment income	17,115	68,455	85,570
Net appreciation, realized and unrealized	159,850	569,096	728,946
Total investment return	176,965	637,551	814,516
Appropriation for expenditure	-	(238,268)	(238,268)
Endowment net assets, December 31, 2024	1,091,314	5,345,562	6,436,876
Contributions	50,459	-	50,459
Investment income	28,204	183,344	211,548
Net appreciation, realized and unrealized	145,466	524,549	670,015
Total investment return	173,670	707,893	881,563
Appropriation for expenditure	-	(1,188)	(1,188)
Endowment net assets, December 31, 2025	$ 1,315,443	$ 6,052,267	$ 7,367,710

Note 9—Endowment (continued)

Underwater Endowment Funds – From time to time, the fair value of assets associated with the donor-restricted endowment fund may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration (underwater endowment). There were no such deficiencies as of December 31, 2025 or 2024.

Return Objectives and Risk Parameters – The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds the Organization must hold in perpetuity as well as board-designated funds. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a total return, within prudent levels of risk, which is sufficient to maintain, in real terms, the purchasing power of the Organization's investments. The Organization expects its endowment funds, over time, to provide an average rate of return greater than its distributions. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Organization has a policy of appropriating for distribution each year the interest and dividend income from the endowment. The Organization uses a valuation date of September 30th based upon a rolling 12 quarter average to determine the allowed annual distribution based on the Lilly Endowment grant restrictions and applicable law. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow annually.

Note 10—Line of credit

The Organization has a line of credit with a commercial bank with a maximum debt facility of $400,000. The line of credit matures on June 24, 2026. Borrowings under this line of credit amounted to $-0- at both December 31, 2025 and 2024. The line of credit bears interest at the bank's lending rate (6.75% and 7.50% at December 31, 2025 and 2024, respectively). Amounts borrowed are secured by a commercial security agreement securing all assets of the Organization.

Note 11—Long-term debt

Long-term debt consisted of the following as of December 31:

	2025	2024
Toyota vehicle term note payable, sixty monthly payments including interest of $398, interest rate 6.89%, beginning October 6, 2018. Loan secured by the vehicle.	$ 27	$ 27
	27	27
Less current maturities	(27)	(27)
	$ -	$ -

Note 11—Long-term debt (continued)

Principal payments due in the years after December 31, 2025 are:

2026	$ 27

Note 12—Lease commitments

The Organization holds operating leases on various vehicles and office equipment, over periods ranging from two to five years. The Organization also held a finance lease for office equipment which was secured by the related office equipment. During the year ended December 31, 2024, the office equipment was destroyed in the fire (see Note 14) and the Organization was released from the finance lease obligation. The lease agreements generally do not contain any material residual value guarantees or material restrictive covenants.

The components of lease expense for the years ended December 31 are as follows:

	2025	2024
Lease cost:		
Finance lease cost:		
Amortization of ROU assets	$ -	$ 18,165
Interest on lease liabilities	-	1,666
Operating lease cost	28,869	7,329
Total lease cost	$ 28,869	$ 27,160

The weighted average lease term and discount rate as of December 31, 2025 are as follows:

Weighted average remaining lease term - operating leases	1.92
Weighted average remaining lease term - finance leases	0 years
Weighted average remaining discount rate - operating leases	4.26%
Weighted average remaining discount rate - finance leases	0.00%

The weighted average lease term and discount rate as of December 31, 2024 were as follows:

Weighted average remaining lease term - operating leases	1.85 years
Weighted average remaining lease term - finance leases	0 years
Weighted average remaining discount rate - operating leases	3.43%
Weighted average remaining discount rate - finance leases	0.00%

Note 12—Lease commitments (continued)

Total expense for operating leases for the years ended December 31, 2025 and 2024 was approximately $29,000 and $7,000, respectively. The maturities of the operating lease liabilities as of December 31, 2025, are as follows:

2026	$	29,500
2027		23,288
2028		1,947
Total lease payments		54,735
Less present value discount		(2,305)
Present value of future minimum lease payments		52,430
Less current portion		(27,740)
Operating lease liability, noncurrent	$	24,690

Note 13—Employee benefit plan

The Organization participates in a 401(k) defined contribution plan. All employees are eligible to participate in the plan through payroll withholdings. The Organization has elected not to make discretionary or match contributions to this plan.

Note 14—Casualty loss

During the year ended December 31, 2024, the Organization sustained fire damage to one of its buildings. The Organization recognized insurance proceeds in the amount of $7,079,150 during the year ended December 31, 2024, of which $2,500,000 was received and $4,579,150 was included in insurance proceeds receivable at December 31, 2024. Due to the extent of the damage incurred, the portion of the building damaged by the fire has been disposed of and the replacement costs will be capitalized upon completion. The net book value of the damaged property and equipment was $1,638,138 which resulted in a gain on disposition in the amount of $5,441,012, which was recognized during the year ended December 31, 2024. During the year ended December 31, 2025, the Organization recognized additional insurance proceeds in the amount of $6,654,364. There were no insurance proceeds receivable at December 31, 2025. Total replacement costs incurred as of December 31, 2025 and 2024 amounted to $7,092,579 and $475,000, respectively, and are included as construction in progress within property and equipment, net in the statements of financial position. The rebuild is expected to be completed and placed in service in 2026.

SUPPLEMENTARY INFORMATION

HVAF OF INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-Recipients	Total Federal Expenditures
U.S. Department of Veteran Affairs				
Department of VA - Homeless Providers Grant and Per Diem Program	64.024	N/A	$ -	$ 2,862,575
U.S. Department of Veteran Affairs				
Department of VA - Supportive Services for Veteran Families Program	64.033	N/A	566,974	3,964,196
Total U.S. Department of Veteran Affairs			566,974	6,826,771
U.S. Dept. of Housing and Urban Development				
Emergency Solutions Grant Program				
Pass-Through Grantors:				
City of Indianapolis - Department of Metropolitan Development	14.231	N/A	-	262,168
Total U.S. Department of Housing and Urban Development			-	262,168
Total Expenditures of Federal Awards			$ 566,974	$ 7,088,939

See notes to the Schedule of Expenditures of Federal Awards.

HVAF OF INDIANA, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2025

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of HVAF of Indiana, Inc. (the "Organization") for the year ended December 31, 2025 and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the 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"). Because the Schedule presents only a select portion of the operations of HVAF of Indiana, Inc., amounts presented in the Schedule may differ from amounts included in the financial statements.

Note 2—Indirect costs

Indirect costs are allocated among programs based on the percentage allowable for reimbursement by each grant. The Organization has elected to use the up to 15% de minimis indirect cost rate allowed in the Uniform Guidance, section 414.

COMPLIANCE SECTION

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
HVAF of Indiana, Inc.
Indianapolis, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of HVAF of Indiana, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Cherry Bekaert LLP

Indianapolis, Indiana
June 19, 2026

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
HVAF of Indiana, Inc.
Indianapolis, Indiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited HVAF of Indiana, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2025. The Organization's major federal program is identified in the *summary of auditor's results* section of the accompanying schedule of findings and questioned costs.

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, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*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 *Auditor's 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 have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the 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.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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 that we identified during the audit.

Report on Internal Control over Compliance

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

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

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

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

Cherry Bekaert LLP

Indianapolis, Indiana
June 19, 2026

HVAF OF INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2025

Section I—Summary of auditor's results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with U.S. GAAP:	Unmodified
Internal Control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

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

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program
64.024	Department of VA – Homeless Providers Grant and Per Diem Program

Dollar Threshold used to distinguish between Type A and Type B programs: $1,000,000

Auditee qualified as low-risk auditee? Yes

Section II—Financial statements findings

None.

Section III—Federal award findings and questioned costs

None.