

CONSOLIDATED FINANCIAL STATEMENTS



**INTERFAITH WORKS, INC.
AND AFFILIATE**

**FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021**

**INTERFAITH WORKS, INC.
AND AFFILIATE**

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Interfaith Works, Inc. and Affiliate
Rockville, Maryland

Opinion

We have audited the accompanying consolidated financial statements of Interfaith Works, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the consolidated change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's 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 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 will always detect a material misstatement when it exists.

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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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted 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 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 consolidated 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated February 23, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position and Consolidating Schedule of Activities and Change in Net Assets on pages 22 - 23 are presented for purposes 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



April 26, 2023

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

ASSETS		<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$	2,941,538	\$ 2,496,665
Investments		242,861	253,731
Contributions receivable		1,600,664	777,412
Prepaid expenses and other assets		28,398	37,342
Property and equipment, net		<u>625,160</u>	<u>897,916</u>
TOTAL ASSETS	\$	<u>5,438,621</u>	\$ <u>4,463,066</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable and accrued liabilities	\$	170,668	\$ 147,651
Accrued salaries and related benefits		530,413	341,507
Refundable advances		100,507	5,500
Other liabilities		12,487	22,769
Notes payable		8,631	75,804
Forgivable note payable		<u>588,470</u>	<u>588,470</u>
Total liabilities		<u>1,411,176</u>	<u>1,181,701</u>
NET ASSETS			
Without donor restrictions		3,789,326	3,220,304
With donor restrictions		<u>238,119</u>	<u>61,061</u>
Total net assets		<u>4,027,445</u>	<u>3,281,365</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>5,438,621</u>	\$ <u>4,463,066</u>

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Federal, state, and county grants	\$ 7,208,671	\$ -	\$ 7,208,671	\$ 7,430,770
Contributed nonfinancial assets	6,508,738	-	6,508,738	7,777,547
Contributions	1,357,795	586,225	1,944,020	1,512,371
Program income	107,552	-	107,552	113,950
Rental income	67,003	-	67,003	218,281
Net assets released from donor restrictions	<u>409,167</u>	<u>(409,167)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>15,658,926</u>	<u>177,058</u>	<u>15,835,984</u>	<u>17,052,919</u>
EXPENSES				
Program Services:				
Homeless Services	7,688,419	-	7,688,419	7,334,373
Interfaith Clothing Center	5,650,419	-	5,650,419	6,612,264
Connections	435,946	-	435,946	422,172
Vocational Services	297,533	-	297,533	264,597
Interfaith Housing Coalition	282,806	-	282,806	289,638
Emergency Assistance Coalition	221,059	-	221,059	157,109
Friends in Action	71,353	-	71,353	67,255
Network	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,748</u>
Total program services	<u>14,647,535</u>	<u>-</u>	<u>14,647,535</u>	<u>15,215,156</u>
Supporting Services:				
General and Administrative	918,609	-	918,609	576,480
Development	<u>667,866</u>	<u>-</u>	<u>667,866</u>	<u>430,774</u>
Total supporting services	<u>1,586,475</u>	<u>-</u>	<u>1,586,475</u>	<u>1,007,254</u>
Total expenses	<u>16,234,010</u>	<u>-</u>	<u>16,234,010</u>	<u>16,222,410</u>
Change in net assets before other items	(575,084)	177,058	(398,026)	830,509
OTHER ITEMS				
Net investment return	(39,111)	-	(39,111)	53,182
Gain on sales of property	1,183,217	-	1,183,217	361,578
Gain on forgiveness of note payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>811,800</u>
Change in net assets	569,022	177,058	746,080	2,057,069
Net assets at beginning of year	<u>3,220,304</u>	<u>61,061</u>	<u>3,281,365</u>	<u>1,224,296</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,789,326</u>	<u>\$ 238,119</u>	<u>\$ 4,027,445</u>	<u>\$ 3,281,365</u>

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022							
	Program Services							
	Homeless Services	Interfaith Clothing Center	Connections	Vocational Services	Interfaith Housing Coalition	Emergency Assistance Coalition	Friends in Action	Total Program Services
Salary and wages	\$ 3,822,965	\$ 461,886	\$ 157,847	\$ 209,173	\$ 47,858	\$ 90,630	\$ 53,792	\$ 4,844,151
Donated goods and services	301,728	4,737,610	-	40	-	195	-	5,039,573
Donated facilities	1,239,982	190,170	12,786	18,942	2,131	-	-	1,464,011
Client support	1,056,434	65,555	225,480	8,933	5,376	3,155	3,810	1,368,743
Taxes and related benefits	556,482	64,149	15,113	36,940	5,702	12,207	8,526	699,119
Personnel-related expenses	251,379	23,432	12,301	9,807	15,664	23,196	2,975	338,754
Legal and other professional fees	34,954	-	-	1,030	99,360	10,201	-	145,545
Repairs and maintenance	133,419	32,550	2,446	214	53,401	668	-	222,698
Rent and utilities	53,132	-	-	-	6,231	6,011	-	65,374
Office and supplies	36,339	29,842	621	97	91	1,224	-	68,214
Telephone and communications	38,827	4,673	2,574	3,833	733	3,436	160	54,236
Payroll, accounting and financial	67,475	7,939	2,515	2,986	334	1,178	865	83,292
Depreciation and amortization	55,006	6,646	2,271	3,010	689	1,304	774	69,700
Grants to others	-	-	-	-	-	60,335	-	60,335
Other	9,193	17,787	19	26	6,130	11	7	33,173
Computers and furniture	20,545	6,811	1,709	2,406	-	2,743	-	34,214
Homeowners association fees	-	-	-	-	23,637	-	-	23,637
Interest	-	-	-	-	12,010	-	-	12,010
Travel and meeting	9,229	949	8	15	2,454	-	432	13,087
Printing and production	-	-	-	-	-	3,438	-	3,438
Conferences and meetings	120	-	-	40	-	1,003	-	1,163
Postage and delivery	1,084	274	256	41	(40)	124	12	1,751
Property taxes and licenses	126	146	-	-	1,045	-	-	1,317
TOTAL	\$ 7,688,419	\$ 5,650,419	\$ 435,946	\$ 297,533	\$ 282,806	\$ 221,059	\$ 71,353	\$ 14,647,535

See accompanying notes to consolidated financial statements.

INTERFAITH WORKS, INC.
AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022 (Continued)			2021	
	Supporting Services				
	General and Administrative	Development	Total Supporting Services	Total Expenses	Total Expenses
Salary and wages	\$ 482,014	\$ 333,515	\$ 815,529	\$ 5,659,680	\$ 5,296,796
Donated goods and services	-	5,154	5,154	5,044,727	6,338,179
Donated facilities	-	-	-	1,464,011	1,439,368
Client support	7,701	5,379	13,080	1,381,823	1,015,930
Taxes and related benefits	153,060	36,996	190,056	889,175	843,367
Personnel-related expenses	153,214	34,163	187,377	526,131	33,189
Legal and other professional fees	30,680	172,432	203,112	348,657	257,670
Repairs and maintenance	2,354	2,226	4,580	227,278	205,061
Rent and utilities	19,392	18,667	38,059	103,433	90,589
Office and supplies	28,995	3,381	32,376	100,590	38,548
Telephone and communications	13,404	32,809	46,213	100,449	84,825
Payroll, accounting and financial	4,279	3,929	8,208	91,500	110,675
Depreciation and amortization	6,935	4,799	11,734	81,434	85,746
Grants to others	-	-	-	60,335	61,560
Other	2,053	6,577	8,630	41,803	27,898
Computers and furniture	4,616	2,668	7,284	41,498	174,179
Homeowners association fees	-	-	-	23,637	38,293
Interest	4,200	-	4,200	16,210	18,309
Travel and meeting	16	-	16	13,103	11,359
Printing and production	1,109	3,157	4,266	7,704	39,149
Conferences and meetings	5,238	453	5,691	6,854	2,079
Postage and delivery	(973)	1,561	588	2,339	4,484
Property taxes and licenses	322	-	322	1,639	5,157
TOTAL	\$ 918,609	\$ 667,866	\$ 1,586,475	\$ 16,234,010	\$ 16,222,410

See accompanying notes to consolidated financial statements.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 746,080	\$ 2,057,069
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Unrealized loss (gain) on investments	41,974	(38,663)
Depreciation and amortization	81,434	85,746
Gain on sales of property	(1,183,217)	(361,578)
Loss on disposal of equipment	-	29,848
Gain on forgiveness of note payable	-	(811,800)
(Increase) decrease in:		
Contributions receivable	(823,252)	(242,663)
Prepaid expenses and other assets	8,944	19,643
Increase (decrease) in:		
Accounts payable and accrued liabilities	23,017	60,808
Accrued salaries and related benefits	188,906	20,727
Refundable advance	95,007	(45,000)
Other liabilities	<u>(10,282)</u>	<u>(1,337)</u>
Net cash (used) provided by operating activities	<u>(831,389)</u>	<u>772,800</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(31,104)	(14,333)
Purchases of property and equipment	(148,983)	(93,421)
Proceeds from sale of property and equipment	<u>1,523,522</u>	<u>351,698</u>
Net cash provided by investing activities	<u>1,343,435</u>	<u>243,944</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	<u>(67,173)</u>	<u>(445,018)</u>
Net cash used by financing activities	<u>(67,173)</u>	<u>(445,018)</u>
Net increase in cash and cash equivalents	444,873	571,726
Cash and cash equivalents at beginning of year	<u>2,496,665</u>	<u>1,924,939</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,941,538</u>	<u>\$ 2,496,665</u>
SUPPLEMENTAL INFORMATION:		
Cash Paid During the Year for Interest	<u>\$ 16,210</u>	<u>\$ 18,309</u>
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS:		
Donated Securities	<u>\$ 28,643</u>	<u>\$ -</u>
Notes Payable Paid with Proceeds from Sales of Property	<u>\$ 63,674</u>	<u>\$ 150,000</u>
Forgiveness of Note Payable	<u>\$ -</u>	<u>\$ 811,800</u>

See accompanying notes to consolidated financial statements.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Interfaith Works, Inc. (IW) is a non-profit organization, incorporated in the State of Maryland and located in Washington, DC. IW is a non-sectarian interfaith coalition of more than 165 affiliated congregations of diverse faiths, working together to meet the needs of the poor and homeless in Montgomery County, Maryland. IW's programs support neighbors in need by providing vital services and a pathway to greater stability.

The Interfaith Housing Coalition, Inc. (IHC) is a non-profit organization, incorporated in the State of Maryland and located in Washington, D.C. IHC provides permanent, supportive housing and supportive services to families in 26 units across the County.

Principles of consolidation -

The accounts of Interfaith Works, Inc. have been consolidated with the Interfaith Housing Coalition, Inc. (collectively, the Organization) in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

New accounting pronouncement adopted -

During the year ended June 30, 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The new standard did not change the recognition and measurement requirements for those contributed nonfinancial assets.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents except money market funds held by investment managers totaling \$31,033 as of June 30, 2022. Money market funds held by investment managers are included in investments. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in net investment return in the accompanying Consolidated Statement of Activities and Change in Net Assets. Investments acquired by gift, such as donated stock, are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate gifts of donated stock to cash as soon as possible.

Contributions receivable -

Contributions receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Property and equipment -

Property and equipment in excess of \$1,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$81,434 for the year ended June 30, 2022.

Income taxes -

IW and IHC are both exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. IW and IHC are not private foundations.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Uncertain tax positions -

For the year ended June 30, 2022, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and have determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Debt issuance costs -

In accordance with the FASB ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, the Organization presents debt issuance costs in the consolidated financial statement as a direct deduction from the related note payable liability. Amortization of the debt issuance costs is reported as interest expense.

Support and revenue -

Contributions, including federal, state, and county grants -

The Organization receives contributions, including unconditional promises to give, from many sources as well as federal state, and county grants. Contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution agreement to determine if the funding streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most federal, state, and county grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of incurring qualifying expenditures are recorded as refundable advances, which totaled \$100,507 as of June 30, 2022. In addition, the Organization has obtained funding source agreements for contributions and grants which include conditional contributions to be received in future years. The Organization's conditional contributions to be received in future years totaled \$832,480 as of June 30, 2022.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Support and revenue (continued) -

Program income -

Program income, which consists of client service fees, is classified as an exchange transaction following ASU 2014-09, *Revenue from Contracts With Customers*. Program income is recorded as revenue when performance obligations are met, such as at the point in time that services have been provided to clients. The Organization has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Funding received in advance of satisfying performance obligations are recorded as deferred revenue.

Contributed nonfinancial assets -

Contributed nonfinancial assets (donated goods, facilities, and services) are recorded at their fair value as of the date of the gift. In addition, volunteers have donated significant amounts of their time to the Organization, which is not reflected in the consolidated financial statements since these services do not meet the criteria for recognition as contributed services.

Use of estimates -

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

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

A description of the Organization's significant program services are as follows:

Homeless Services: Beck's House houses senior homeless women in an 8-bed home, providing 24-hour oversight and intensive case management to improve the overall health and stability of frail, higher-need individuals.

Interfaith Works Empowerment Center engages over 800 individuals in a day program with access to showers, laundry, support groups, and case management services to those experiencing homelessness. It also operates as a heating/cooling center during weather extremes. During the winter months, the Overflow Shelter opens to approximately 350 adults, providing a place to sleep on cold nights.

Interfaith Homes provides scattered-site apartments for 31 men and women who have previously experienced chronic homelessness. Interfaith Homes offers wrap around clinical and medical case management services that empower individuals to maintain income and housing.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Functional allocation of expenses (continued) -

Homeless Services (continued): Interfaith Works Housing Initiatives Program provides service coordination for 35 individuals housed in their own apartments through Montgomery County's Housing Initiative Program. The program provides wrap-around case management services including coordination of care, life skills development and tenancy support as well as community referrals. Interfaith Works Residences provides 24-hour staff supported private living quarters to 21 men and women who previously have experienced long-term homelessness. Interfaith Works Residences offers a safe environment where residents can identify and overcome barriers to self-sufficiency and housing.

Interfaith Works Women's Center provides emergency shelter, meals and case management to approximately 250 women experiencing homelessness annually at a 70-bed facility. Interfaith Works Women's Center helps women overcome barriers by connecting them with community resources that empower them to overcome homelessness.

Watkins Mill House provides transitional housing to women who have experienced homelessness with behavioral health diagnoses in an 8-bed home, offering 24-hour support and case management. Watkins Mill House links clients to treatment, IW's vocational services, and other resources to help women gain the supports they need to move themselves to more stable, permanent housing.

Interfaith Clothing Center: Provides free clothing and household goods to 13,000 income-qualified residents each year, including nearly 6,000 children, through the distribution of millions of dollars' worth of donated items. The Interfaith Clothing Center also houses a Prepare to Impress Shop (professional clothing), distributes specialized items such as layettes to expectant mothers and brand-new backpacks filled with new school supplies to MCPS students.

Connections: Previously named Hand-to-Hand, Connections provides resource counseling to low income individuals and families. Connections provides referrals to programs within Interfaith Works as well as outside of the agency. Connections is also responsible for distributing emergency financial assistance for eviction prevention, utility cut-off prevention, and other unmet needs.

Vocational Services: Engages 250 low-income and homeless individuals in job readiness classes, career counseling and training, and one-on-one job placement services.

Interfaith Housing Coalition: Provides permanent housing with support for 13 families. Each family is engaged in intensive case management and works towards customized family action plan goals aimed at progressing to maximized independence.

Emergency Assistance Coalition: Previously named Congregation & Community Emergency Support, Emergency Assistance Coalition leads a multi-agency collaboration of emergency assistance providers offering capacity building, financial assistance services and advocacy. Emergency Assistance Coalition impacts the lives of 30,000 financially fragile individuals and supports efforts to empower clients toward self-sufficiency; offers support to congregations through consultation, referral and training; and provides counseling, referrals, grants and loans to help individuals stay utility cut-offs, avoid eviction, and pay for other essential expenses and to facilitate multi-agency collaboration.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Functional allocation of expenses (continued) -

Friends in Action: Serves 40 families with 120 trained volunteer mentors divided into teams. Each family member works closely with a case manager to set individualized goals to improve essential living skills and stabilize areas of crisis. Mentor teams work with families for at least one year and often longer.

Risks and uncertainties -

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could affect the amounts reported in the accompanying consolidated financial statements.

Fair value measurement -

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Organization accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncements not yet adopted -

FASB issued ASU 2019-01, *Leases* (Topic 842), which changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and by disclosing key information about leasing arrangements. The new standard is effective during the year ending June 30, 2023, but early adoption is permitted. The new standard can be applied either at the beginning of the earliest period presented using a full retrospective approach or at the beginning of the period of adoption using a modified retrospective approach.

ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new standard is effective during the year ending June 30, 2024, but early adoption is permitted. The new standard can be applied at the beginning of the period of adoption using a modified retrospective approach.

The Organization plans to adopt the new ASUs at the required implementation dates, and management is currently in the process of evaluating the adoption methods and the impact of the new standards on its accompanying consolidated financial statements.

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

2. INVESTMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the year ended June 30, 2022. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are, therefore, deemed to be actively traded.
- *Mutual Funds and Exchange Traded Funds* - Valued at the daily closing price as reported by the fund. Mutual funds include only fixed income funds. Mutual funds and exchange traded funds only include funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds and exchange traded funds held by the Organization are, therefore, deemed to be actively traded.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2022.

	Level 1	Level 2	Level 3	Total
Investments				
Money Market Funds	\$ 31,033	\$ -	\$ -	\$ 31,033
Exchange Traded Funds	115,473	-	-	115,473
Mutual Funds	96,355	-	-	96,355
TOTAL INVESTMENTS	\$ 242,861	\$ -	\$ -	\$ 242,861

Net investment return included the following for the year ended June 30, 2022:

Interest and dividends, net	\$ 2,863
Unrealized loss	(41,974)
NET INVESTMENT RETURN	\$ (39,111)

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

3. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following as of June 30, 2022:

Land	\$ 325,733
Buildings	541,193
Furniture and equipment	722,936
Vehicles	106,263
Leasehold improvements	<u>627,966</u>
Total Property and equipment, net	2,324,091
Less: Accumulated depreciation and amortization	<u>(1,698,931)</u>
PROPERTY AND EQUIPMENT, NET	<u>\$ 625,160</u>

Gain on Sales of Property: During 2022, the Organization sold six properties. The Organization received net proceeds totaling \$1,523,522, which equaled the sales price of the properties less closing costs of \$93,322. A gain on the sales of property totaling \$1,183,217 is reported in the Consolidated Statement of Activities and Change in Net Assets during the year ended June 30, 2022.

Donated Facilities: The Organization receives free or discounted use of several facilities used for various programs. The value of the free or discounted use of these facilities has been recorded as contributed nonfinancial assets within support and revenue and donated facilities expense (see Note 11).

4. LINE OF CREDIT

The Organization had a line-of-credit with a commercial bank which made available a total of \$500,000 for draw-down. The line-of-credit was secured by property owned by the Organization, and the line of credit was payable upon demand. Interest was calculated at a variable rate as described within the agreement. The line of credit was scheduled to mature on December 27, 2023, but the Organization terminated the line of credit on February 25, 2022.

5. FORGIVABLE NOTE PAYABLE

Montgomery County provided funding to the Organization in the form of a promissory note that may be forgiven if certain conditions are met. The Organization's forgivable note payable is considered to be a liability until the conditions of debt forgiveness have been met and management believes the conditions of debt forgiveness will be met. However, if the stipulated conditions of debt forgiveness are not met, the note payable will be repaid in accordance with its terms.

The Organization had one forgivable note payable totaling \$588,470 at June 30, 2022. The forgivable note payable is eligible to be forgiven during the year ending June 30, 2038. There were no forgivable notes payable that met the conditions of debt forgiveness during the year ended June 30, 2022.

6. NOTE PAYABLE

The Organization financed the acquisition of a housing property and related building improvements through a note payable from a financial institution. The Organization's housing property is pledged as security for the note payable.

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

6. NOTE PAYABLE (Continued)

The note payable has no debt covenants other than to provide financial information to the lender. The note payable has an interest rate of 4% and principal balance due totaled \$8,631 as of June 30, 2022. Principal payments on the note payable are due as follows as of June 30, 2022:

Year Ending June 30,

2023		\$	1,984
2024			2,065
2025			2,149
2026			2,237
2027			<u>196</u>
		\$	<u>8,631</u>

The Organization also paid off the balance due on two of its notes payable during the year ended June 30, 2022. Payments of principal related to all of the Organization's notes payable totaled \$67,173 during the year ended June 30, 2022.

Interest expense related to all of the Organization's notes payable totaled \$16,210 for the year ended June 30, 2022.

7. BOARD DESIGNATED NET ASSETS

Net assets without donor restrictions have been designated by the Board of Directors for the following purposes as of June 30, 2022:

Operating Reserve		\$	<u>242,861</u>
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8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30, 2022:

Homeless Services		\$	166,250
Interfaith Clothing Center School Supplies			32,731
Faith and Community Partnerships			24,447
Food Hub			9,683
Emergency Assistance Coalition			<u>5,008</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS		\$	<u>238,119</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors for the year ended June 30, 2022:

Connections		\$	281,924
Vocational Services			71,895
Food Hub			33,512
Friends in Action			20,021
Interfaith Clothing Center School Supplies			<u>1,815</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS		\$	<u>409,167</u>

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

9. LIQUIDITY AND AVAILABILITY

The Organization receives a significant amount of support from donors and considers contributions with donor restrictions related to ongoing programs as available to meet cash needs for general expenditures. The Organization manages its cash flows using the following three guiding principles: (1) operating within a prudent range of financial soundness and stability, (2) maintaining adequate liquid assets to fund near-term operating needs, and (3) maintaining sufficient reserves so that long-term obligations will be discharged. The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due.

The Organization's liquidity policy requires that current financial assets less current liabilities equal at least one month of operating expense. The Organization's reserve policy requires that undesignated net assets without donor restrictions at the end of each quarter equal at least 15 to 30 days of projected subsequent period disbursements. To achieve these policy requirements, the Organization forecasts future cash flow needs, monitor liquidity monthly, and monitor reserves quarterly. In the event the Organization needs to utilize Board designated net assets without restriction, the Board of Directors would be required to authorize such use.

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following as of June 30, 2022:

Cash and cash equivalents	\$ 2,941,538
Investments	242,861
Contributions receivable	<u>1,600,664</u>
Subtotal financial assets available within one year	4,785,063
Less: Donor restricted funds	(238,119)
Less: Board designated funds	<u>(242,861)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 4,304,083</u>

10. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended June 30, 2022, the Organization was the beneficiary of contributed nonfinancial assets in the form of donated goods, facilities, and services which allowed the Organization to provide greater resources toward various programs. There were no donor-imposed restrictions associated with the contributed nonfinancial assets during the year ended June 30, 2022.

Donated goods are valued based on either the number of volunteer hours expended in order to distribute donated clothing or the estimated cost of donated school supplies. Donated facilities are recorded based on the fair value of the rental space. Donated services are recognized at fair value if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donated goods, facilities, and services are recognized as contributions in accordance with accounting principles generally accepted in the United States of America.

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

10. CONTRIBUTED NONFINANCIAL ASSETS (Continued)

To properly reflect total program expenses, the following donations have been included in support and revenue and also in expense for the year ended June 30, 2022:

Goods	\$ 5,043,684
Facilities	1,464,011
Services	<u>1,043</u>
TOTAL	<u>\$ 6,508,738</u>

The following programs have benefited from contributed nonfinancial assets for the year ended June 30, 2022:

Interfaith Clothing Center	\$ 4,927,780
Homeless Services	1,541,710
Vocational Services	18,982
Connections	12,786
Development	5,154
Interfaith Housing Coalition	2,131
Emergency Assistance Coalition	<u>195</u>
TOTAL	<u>\$ 6,508,738</u>

Unrecorded amounts: Many individuals volunteer their time and perform a variety of tasks that assist the Organization with the administration of its programs. Without these volunteers, the Organization would have to hire additional staff to maintain the level of service provided to its clients. Although greatly appreciated by the Organization, accounting principles generally accepted in the United States of America do not allow such services to be recorded in the Consolidated Statement of Activities and Change in Net Assets.

11. LEASE COMMITMENTS

Rent expense: The Organization has an operating lease for their administrative offices with Rockville United Methodist Church (RUMC). The agreement expired December 31, 2022 with a monthly rent of \$3,000. Effective January 1, 2023, the Organization and RUMC have reached a mutual understanding that the lease arrangement will continue on a month-to-month basis until further notice.

The Organization has an another operating lease for space that supports several programs. The lease expires in November 2024 but includes an option to renew and extend the lease for 5 additional years. The base monthly rental was \$3,616 during the first lease term, with an escalation of 3% if the renewal option is invoked. The Organization pays its proportionate share of operating expenses and real estate taxes.

The rent expense related to these leases is reported in rent and utilities expense within the accompanying Consolidated Statement of Functional Expenses and totaled \$79,436 for the year ended June 30, 2022.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

11. LEASE COMMITMENTS (Continued)

The following is a schedule of the future minimum lease payments as of June 30, 2022:

<u>Year Ending June 30,</u>	
2023	\$ 62,151
2024	45,476
2025	<u>19,181</u>
	<u>\$ 126,808</u>

Rental income: The Organization also leases several apartments which are occupied by clients of the Homeless Services program. All of the Homeless Services program leases expire within one year and they are primarily funded government contracts or grants.

The Organization has approximately 30 rental units available for leasing on a month-to-month basis to qualified low-income individuals and families. Although several tenants renew their leases each year, the Organization does not have any tenant leases with terms greater than one year. Although the Organization has a significant funding source related to these rental units, tenants pay a portion of the rent, according to their specific income circumstances. The Organization's rental income from tenants totaled \$67,003 for the year ended June 30, 2022.

The rental cost related to all of the Homeless Services leases was reported within client support expense in the consolidated statement of functional revenue and expense and totaled \$833,573 for the year ended June 30, 2022.

Cash received from tenants for security deposits is restricted by state law and, therefore, cannot be used for the Organization's operations. Interest on security deposits, calculated at a rate of 4% per annum if not held in a separate interest-bearing account, is required to be paid to tenants upon termination of tenancy. Cash related to security deposits totaled \$13,211 at June 30, 2022. The liability for tenant security deposits has been included in accounts payable and accrued expenses in the accompanying Consolidated Statement of Financial Position.

12. RETIREMENT PLAN

The Organization have a defined contribution 403(b) salary deferral and savings incentive plan, which covers all eligible employees who meet age and length of service requirements. Until June 30, 2018, the Organizations provided a matching contribution equal to 1% of participant compensation and had the option to provide an additional discretionary contribution. Effective on July 1, 2018, the Plan document was amended and restated such that the employer contribution consisted of a discretionary match of employee deferrals. The Organization, in their sole discretion, determine the amount of the employer matching contribution.

The Organization's contributions under the Plan totaled \$34,089 for the year ended June 30, 2022.

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

13. CONTINGENCY

Certain programs are funded by grants or contracts with Montgomery County or the State of Maryland. The Organization also participates in a number of federal grant programs. Total federal expenditures were less than \$750,000 for the year ended June 30, 2022. While a single audit of federal expenditures was not required, these federal, state, and county programs are subject to financial and compliance audits by the respective governmental agencies or their representatives. Therefore, a contingent liability may exist for potential questioned costs related to the federal, state, and county grants and contracts that would result from such audits. However, management believes that no material liability would result from such audits.

14. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 26, 2023, the date the consolidated financial statements were issued.

SUPPLEMENTAL INFORMATION

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2022**

	<u>IW</u>	<u>IHC</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
Cash and cash equivalents	\$ 960,083	\$ 1,981,455	\$ -	\$ 2,941,538
Investments	242,861	-	-	242,861
Contributions receivable	1,590,212	10,452	-	1,600,664
Due from affiliate	121,704	-	(121,704)	-
Prepaid expenses and other assets	21,570	6,828	-	28,398
Property and equipment, net	478,088	147,072	-	625,160
TOTAL ASSETS	<u>\$ 3,414,518</u>	<u>\$ 2,145,807</u>	<u>\$ (121,704)</u>	<u>\$ 5,438,621</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 168,412	\$ 2,256	\$ -	\$ 170,668
Accrued salaries and related benefits	530,413	-	-	530,413
Due to affiliate	-	121,704	(121,704)	-
Refundable advances	100,507	-	-	100,507
Other liabilities	-	12,487	-	12,487
Note payable	-	8,631	-	8,631
Forgivable note payable	588,470	-	-	588,470
Total liabilities	<u>1,387,802</u>	<u>145,078</u>	<u>(121,704)</u>	<u>1,411,176</u>
NET ASSETS				
Without donor restrictions	1,788,597	2,000,729	-	3,789,326
With donor restrictions	238,119	-	-	238,119
Total net assets	<u>2,026,716</u>	<u>2,000,729</u>	<u>-</u>	<u>4,027,445</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,414,518</u>	<u>\$ 2,145,807</u>	<u>\$ (121,704)</u>	<u>\$ 5,438,621</u>

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>IW</u>	<u>IHC</u>	<u>Eliminations</u>	<u>Consolidated</u>
ACTIVITIES WITHOUT DONOR RESTRICTIONS				
SUPPORT AND REVENUE				
Federal, state, and county contracts	\$ 7,208,671	\$ -	\$ -	\$ 7,208,671
Contributed nonfinancial assets	6,506,607	2,131	-	6,508,738
Contributions	1,354,291	3,504	-	1,357,795
Program income	107,552	-	-	107,552
Rental income	-	67,003	-	67,003
Net assets released from donor restrictions	409,167	-	-	409,167
	<u>15,586,288</u>	<u>72,638</u>	<u>-</u>	<u>15,658,926</u>
Total support and revenue				
EXPENSES				
Program Services:				
Homeless Services	7,688,419	-	-	7,688,419
Interfaith Clothing Center	5,650,419	-	-	5,650,419
Connections	435,946	-	-	435,946
Vocational Services	297,533	-	-	297,533
Interfaith Housing Coalition	98,208	184,598	-	282,806
Emergency Assistance Coalition	221,059	-	-	221,059
Friends in Action	71,353	-	-	71,353
	<u>14,462,937</u>	<u>184,598</u>	<u>-</u>	<u>14,647,535</u>
Total program services				
Supporting Services:				
General and Administrative	918,609	-	-	918,609
Development	667,866	-	-	667,866
	<u>1,586,475</u>	<u>-</u>	<u>-</u>	<u>1,586,475</u>
Total supporting services				
Total expenses	<u>16,049,412</u>	<u>184,598</u>	<u>-</u>	<u>16,234,010</u>
Change in net assets without donor restrictions before other items	(463,124)	(111,960)	-	(575,084)
OTHER ITEMS				
Net investment return	(39,202)	91	-	(39,111)
Gain on sale of property	-	1,183,217	-	1,183,217
	<u>(502,326)</u>	<u>1,071,348</u>	<u>-</u>	<u>569,022</u>
Change in net assets without donor restrictions				
ACTIVITIES WITH DONOR RESTRICTIONS				
Contributions	586,225	-	-	586,225
Net assets released from donor restrictions	(409,167)	-	-	(409,167)
	<u>177,058</u>	<u>-</u>	<u>-</u>	<u>177,058</u>
Change in net assets with donor restrictions				
Change in net assets	(325,268)	1,071,348	-	746,080
Net assets at beginning of year	2,351,984	929,381	-	3,281,365
	<u>2,351,984</u>	<u>929,381</u>	<u>-</u>	<u>3,281,365</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,026,716</u>	<u>\$ 2,000,729</u>	<u>\$ -</u>	<u>\$ 4,027,445</u>