

**Audited Consolidated Financial Statements
and Supplementary Information**

INTERFAITH WORKS, INC. & AFFILIATE

June 30, 2018

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Independent Auditor’s Report on the Consolidated Financial Statements

To the Board of Directors
Interfaith Works, Inc. & Affiliate

We have audited the accompanying consolidated financial statements of Interfaith Works, Inc. & Affiliate (the Organization), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional revenue and expense, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization’s preparation and fair presentation of the consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Interfaith Works, Inc. & Affiliate as of June 30, 2018, and the consolidated changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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SUITE 400

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WASHINGTON, DC

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20036

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TELEPHONE
202/293-2200

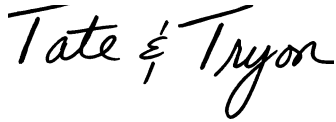
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To the Board of Directors
December 11, 2018
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Summarized Comparative Information

We have previously audited the Organization's 2017 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated February 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

The image shows a handwritten signature in black ink that reads "Tate & Tryon". The signature is written in a cursive, flowing style.

Washington, DC
December 11, 2018

Interfaith Works, Inc. & Affiliate

Consolidated Statements of Financial Position

June 30,	2018	2017
Assets		
Cash and cash equivalents	\$ 1,233,426	\$ 372,415
Investments	-	336,500
Receivables	522,646	474,595
Prepaid expenses and other assets	52,570	77,200
Property and equipment	1,145,617	1,418,023
Total assets	\$ 2,954,259	\$ 2,678,733
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 297,914	\$ 316,673
Refundable advances	56,700	-
Forgivable notes payable	588,470	588,470
Notes payable	1,154,738	1,320,567
Total liabilities	2,097,822	2,225,710
Commitments and contingencies	-	-
Net assets		
Unrestricted	673,380	386,672
Temporarily restricted	183,057	66,351
Total net assets	856,437	453,023
Total liabilities and net assets	\$ 2,954,259	\$ 2,678,733

See notes to the consolidated financial statements.

Interfaith Works, Inc. & Affiliate

Consolidated Statements of Activities

<i>Year Ended June 30,</i>	2018	2017
Unrestricted activities		
Revenue and support		
Donated goods, facilities, and services	\$ 9,115,626	\$ 7,745,241
Federal, state, and county contracts	4,464,500	4,223,394
Contributions	748,303	710,181
Rental income	266,780	310,728
Program income	165,708	198,534
Investment income	3,656	30,487
	14,764,573	13,218,565
Special events	112,064	90,006
Less costs of direct benefits to donors	(18,871)	(20,447)
	93,193	69,559
Net assets released from restriction	385,064	374,369
Total revenue and support	15,242,830	13,662,493
Expense		
Program services		
Interfaith Clothing Center	7,423,121	6,418,263
Homeless Services	6,081,386	5,804,751
Interfaith Housing Coalition	413,002	342,520
Vocational Services	294,595	231,457
Connections	179,281	148,292
Emergency Assistance Coalition	177,898	243,746
Friends in Action	148,665	139,000
Network	81,150	-
Other	3,654	3,618
Total program services	14,802,752	13,331,647
Supporting services		
Development	467,037	492,478
General and administrative	115,582	151,347
Total supporting services	582,619	643,825
Total expense	15,385,371	13,975,472
Change in unrestricted net assets from operations	(142,541)	(312,979)
Gain on sales of property and equipment	401,217	-
Gain on sale of interest in LLC	28,032	-
Change in unrestricted net assets	286,708	(312,979)
Temporarily restricted activities		
Contributions	501,770	393,969
Net assets released from restriction	(385,064)	(374,369)
Change in temporarily restricted net assets	116,706	19,600
Change in net assets	403,414	(293,379)
Net assets, beginning of year	453,023	746,402
Net assets, end of year	\$ 856,437	\$ 453,023

See notes to the consolidated financial statements.

Interfaith Works, Inc. & Affiliate

Consolidated Statement of Functional Revenue and Expense

Year Ended June 30, 2018 with 2017 Totals

	Program Services									Supporting Services		2018 Total	2017 Total
	Interfaith Clothing Center	Homeless Services	Interfaith Housing Coalition	Vocational Services	Connections	Emergency Assistance Coalition	Friends in Action	Network	Other	Development	General and Administrative		
Revenue and support													
Donated goods, facilities, and services	\$ 7,082,870	\$ 1,872,088	\$ 24,802	\$ 50,979	\$ 12,217	\$ 8,530	\$ 48,991	\$ -	\$ -	\$ 9,125	\$ 6,024	\$ 9,115,626	\$ 7,745,241
Federal, state, and county contracts	128,429	3,862,853	-	97,130	45,000	73,081	56,225	51,232	-	-	150,550	4,464,500	4,223,394
Contributions	92,656	49,333	87,174	21,466	165,900	7,532	44,375	24,354	10,000	235,408	511,875	1,250,073	1,104,150
Rental income	-	-	266,780	-	-	-	-	-	-	-	-	266,780	310,728
Program income	25,490	123,550	2,333	3,542	200	7,070	2,250	-	-	-	1,273	165,708	198,534
Investment income	-	41	733	-	-	-	-	-	-	-	2,882	3,656	30,487
Gain on sale of interest in LLC	-	-	28,032	-	-	-	-	-	-	-	-	28,032	-
Gains on sales of property and equipment	-	-	397,942	-	-	-	-	-	-	-	3,275	401,217	-
	7,329,445	5,907,865	807,796	173,117	223,317	96,213	151,841	75,586	10,000	244,533	675,879	15,695,592	13,612,534
Special events	-	-	-	-	-	-	-	-	-	112,064	-	112,064	90,006
Less costs of direct benefits to donors	-	-	-	-	-	-	-	-	-	(18,871)	-	(18,871)	(20,447)
	-	-	-	-	-	-	-	-	-	93,193	-	93,193	69,559
Total revenue and support	7,329,445	5,907,865	807,796	173,117	223,317	96,213	151,841	75,586	10,000	337,726	675,879	15,788,785	13,682,093
Expense													
Donated goods and services	6,703,900	624,336	6,199	40,357	3,995	6,530	28,435	-	-	9,125	4,071	7,426,948	6,545,673
Salaries and wages	225,197	2,397,108	144,777	159,973	101,477	63,842	62,366	50,968	-	262,533	394,075	3,862,316	3,657,673
Donated facilities	378,970	1,247,752	18,603	10,622	8,222	2,000	20,556	-	-	-	1,953	1,688,678	1,199,568
Taxes and related benefits	38,262	408,807	24,500	30,774	13,103	10,104	10,501	5,340	-	38,826	97,270	677,487	672,166
Client support	175	558,958	44,505	6,305	27,379	6,814	852	-	-	5,065	4,674	654,727	668,085
Professional fees	-	64,923	45,441	-	-	-	-	2,950	-	27,550	8,717	149,581	88,287
Depreciation and amortization	4,102	49,764	48,797	2,124	874	1,557	1,411	966	-	4,739	13,542	127,876	157,365
Rent and utilities	-	56,445	2,529	-	286	9,727	32	4,574	-	13,370	20,326	107,289	81,422
Computers and furniture	7,150	51,690	891	4,921	1,423	1,507	2,819	107	3,300	15,236	10,397	99,441	231,289
Accounting, audit, and finance	3,119	37,760	4,543	1,689	769	1,183	1,072	735	-	4,009	12,989	67,868	131,031
Repairs and maintenance	9,530	65,240	1,370	3,188	1,438	1,858	1,944	671	-	1,800	2,902	89,941	127,282
Telephone and communications	5,844	47,327	3,075	5,413	2,170	2,301	3,333	1,341	-	3,102	4,566	78,472	80,694
Interest	-	-	17,734	-	-	-	-	-	-	-	40,195	57,929	53,488
Grants to others	-	-	-	-	-	52,046	-	-	-	-	-	52,046	58,966
Personnel-related expenses	1,169	10,423	11	1,233	161	18	160	234	-	1,031	35,363	49,803	24,162
Printing and production	3,792	12,876	41	1,168	563	669	2,126	2,474	-	21,428	1,380	46,517	39,047
Homeowners association fees	-	-	37,806	-	-	-	-	-	-	-	3,969	41,775	36,929
Office and supplies	6,190	8,408	375	994	535	592	735	556	-	1,013	12,429	31,827	26,694
Insurance	1,807	20,508	984	742	305	544	493	337	-	1,655	3,043	30,418	30,554
Travel and transportation	785	8,760	4,504	1,363	199	13	1,938	461	-	685	505	19,213	21,584
Conferences and meetings	-	306	-	65	30	-	-	1,474	-	4,647	1,167	7,689	6,617
Property taxes and licenses	-	891	5,479	-	-	-	-	-	-	-	1,260	7,630	7,926
Postage and delivery	136	943	133	41	152	170	227	93	-	1,721	736	4,352	8,907
Event expenses	-	-	405	-	-	-	-	-	-	1,683	43	2,131	13,897
Newsletter	-	-	-	-	-	-	-	-	-	3,417	-	3,417	2,693
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	3,473
Total expense before allocation	7,390,128	5,673,225	412,702	270,972	163,081	161,475	139,000	73,281	3,300	422,635	675,572	15,385,371	13,975,472
Overhead allocation	32,993	408,161	300	23,623	16,200	16,423	9,665	7,869	354	44,402	(559,990)	-	-
Total expense	7,423,121	6,081,386	413,002	294,595	179,281	177,898	148,665	81,150	3,654	467,037	115,582	15,385,371	13,975,472
Change in net assets	\$ (93,676)	\$ (173,521)	\$ 394,794	\$ (121,478)	\$ 44,036	\$ (81,685)	\$ 3,176	\$ (5,564)	\$ 6,346	\$ (129,311)	\$ 560,297	\$ 403,414	\$ (293,379)

Interfaith Works, Inc. & Affiliate

Consolidated Statements of Cash Flows

<i>Year Ended June 30,</i>	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 403,414	\$ (293,379)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Net gain on investments	(2,091)	(22,591)
Bad debt	-	3,473
Depreciation and amortization	127,876	157,365
Gain on sales of property and equipment	(401,217)	-
Gain on sale of interest in LLC	(28,032)	-
Changes in assets and liabilities		
Receivables	(48,051)	(142,632)
Prepaid expenses and other assets	24,630	4,805
Accounts payable and accrued expenses	(18,759)	(113,871)
Refundable advances	56,700	-
Total adjustments	(288,944)	(113,451)
Net cash provided by (used in) operating activities	114,470	(406,830)
Cash flows from investing activities		
Proceeds from sale of investments	348,478	-
Purchases of investments	(9,887)	(6,870)
Proceeds from sales of property and equipment	636,749	-
Purchases of property and equipment	(91,002)	(115,933)
Proceeds from sale of interest in LLC	28,032	-
Net cash provided by (used in) investing activities	912,370	(122,803)
Cash flows from financing activities		
Proceeds from issuances of notes payable	-	585,000
Principal payments on notes payable	(165,829)	(191,814)
Net cash (used in) provided by financing activities	(165,829)	393,186
Net increase (decrease) in cash and cash equivalents	861,011	(136,447)
Cash and cash equivalents, beginning of year	372,415	508,862
Cash and cash equivalents, end of year	\$ 1,233,426	\$ 372,415
Supplemental disclosures of cash flow information		
Donated stock liquidated to cash	\$ 8,665	\$ 96,268
Gift card donations	\$ 9,689	\$ 5,602
Cash paid during the year for interest	\$ 57,929	\$ 53,488

See notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Interfaith Works, Inc. (IW), a non-profit corporation, was established in 1972 and incorporated in 1978 under the laws of the State of Maryland. 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 shelter, clothe, and feed our neighbors in need and provide supportive services with the goal of helping them achieve self-sufficiency. IW is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation under Section 509(a)(1).

The Interfaith Housing Coalition, Inc. (IHC) is a non-profit organization founded in 1987 under the laws of the State of Maryland. IHC provides permanent, supportive housing to formerly homeless families in 24 housing units scattered throughout the County. IHC is exempt from the payment of income taxes on its exempt purpose activities under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation under Section 509(a)(1).

Principles of consolidation: The consolidated financial statements include the accounts of IW and IHC (the Organization). Significant intra-entity accounts and transactions have been eliminated in consolidation.

Basis of accounting: The Organization prepares its consolidated financial statements on the accrual basis of accounting. Consequently, revenue, other than contributions, is recognized when earned and expense when the obligation is incurred.

Use of estimates: Preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and cash equivalents: For financial statement purposes, the Organization considers demand deposits and money market accounts to be cash and cash equivalents.

Contributions: Contributions are recorded as unrestricted or temporarily restricted support depending upon the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated purpose restriction is accomplished or when a time restriction expires), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in the appropriate restricted net asset class. It is the Organization's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as increases in temporarily restricted net assets. The Organization reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of depreciation expense relating to the donated property and equipment.

Program income: Program income consists of rental payments and other fees for services provided to clients. Payments are recorded as revenue in the period earned or as services are performed.

Notes to the Consolidated Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Costs of direct benefits to donors: IW conducts special events in which a portion of the gross proceeds represents both a contribution and a payment for the direct benefits received by the participant at the event. Typically, direct benefits to donors relate to the cost of meals and entertainment provided at special events.

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

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.

Homeless Services:

Becky'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.

Carroll House Men's Shelter provides transitional shelter, meals and case management to 70 men annually in a 32-bed facility. Links clients with Vocational Services and other resources needed to increase income, become self-sufficient and to move on to more stable, permanent housing.

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. Offers wrap around clinical and medical case management services that empower individuals to maintain income and housing.

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. 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. Helps women overcome barriers by connecting them with community resources that empower them to overcome homelessness.

Notes to the Consolidated Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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. 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 Housing Coalition: Provides permanent housing with supports 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.

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

Connections: Previously named Hand-to-Hand. 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.

Emergency Assistance Coalition: Previously named Congregation & Community Emergency Support. Leads a multiagency collaboration of emergency assistance providers offering capacity building, financial assistance services and advocacy. 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. Provides counseling, referrals, grants and loans to help individuals stay utility cut-offs, avoid eviction, and pay for other essential expenses and facilitates multi-agency collaboration.

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.

Network: Provides assistance to Montgomery County faith communities in meeting community needs including religious land use, neighbors in need, and responding to acts of violence or hate.

Other: Includes activities related to the Family Independence Initiative and Education and Advocacy. During the year ended June 30, 2018, there were no expenses for Family Independence Initiative.

Supporting services: Supporting services descriptions are as follows:

Development: The development function supports efforts to diversify its funding base, cultivate new funding sources and further engage current donors. In addition to managing the recruitment and retention of volunteers, the Development team is responsible for planning all fund-raising events throughout the year, such as the IW's Annual Run, and Caring Breakfast.

General and Administrative: The general and administrative function supports the administrative areas of the Organization.

Allocation of expense: The costs of providing various program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Interfaith Works, Inc. & Affiliate

Notes to the Consolidated Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measure of operations: The Organization excludes gain on sale of interest in LLC, gains on sales of property and equipment, and activities related to temporarily restricted net assets from the change in net assets from operations.

Reclassifications: Certain accounts relating to the prior year have been reclassified to conform to the current year presentation, with no effect on the previously reported change in net assets. Amounts reported in the June 30, 2017 financial statements were reclassified as follows:

	Previously Reported	Reclassification	Currently Reported
Program services expense			
Interfaith Clothing Center	\$ 6,482,631	\$ (64,368)	\$ 6,418,263
Interfaith Housing Coalition	380,303	(37,783)	342,520
Connections	83,924	64,368	148,292
Supporting services expense			
General and administrative	113,564	37,783	151,347
	<u>\$ 7,060,422</u>	<u>\$ -</u>	<u>\$ 7,060,422</u>

B. CONCENTRATIONS

Credit risk: The Organization maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. Government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to the Organization.

County contracts: The Organization's unrestricted revenue, exclusive of in-kind contributions, included contracts and grant awards from Montgomery County, Maryland totaling 68% and 64% of total unrestricted revenue for the years ended June 30, 2018 and 2017, respectively. If the Organization were to experience a reduction in funding from Montgomery County, the Organization's operations would be significantly affected.

C. INVESTMENTS

In accordance with generally accepted accounting principles, the Organization uses the following prioritized input levels to measure fair value of investments. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2 – Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Notes to the Consolidated Financial Statements

C. INVESTMENTS – CONTINUED

Investments consisted of mutual funds and exchange traded funds valued using Level 1 inputs. The value of investments was based on quoted prices in active markets for identical assets. Investments consisted of the following at June 30,:

	2018	2017
Mutual funds and exchange traded funds		
Fixed income	\$ -	\$ 160,889
Domestic equity	-	147,538
International equity	-	28,073
	\$ -	\$ 336,500

Investments were held to fund the Organization’s board-designated endowment. However, per a resolution approved by the Board of Directors, the Organization liquidated its entire investment portfolio during the year ended June 30, 2018.

Investment income consisted of the following for the years ended June 30,:

	2018	2017
Net gain on investments	\$ 2,091	\$ 22,591
Interest and dividends	1,565	7,896
	\$ 3,656	\$ 30,487

Notes to the Consolidated Financial Statements

D. RECEIVABLES

Receivables primarily consisted of amounts due related to services provided under contracts with Montgomery County and the State of Maryland. Receivables also included unconditional promises to give, a significant portion of which is expected to be received in less than one year. Therefore, promises to give have been recorded at net realizable value.

Receivables have been recorded at the gross amount due to the Organization with no allowance for doubtful receivables. Management periodically reviews the status of all receivables for collectability. Each balance is assessed based on management's knowledge of the amount due and the age of the balance. As a result of these reviews, balances deemed to be uncollectible are charged directly to bad debt expense. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for bad debts had been recorded. Bad debt expense totaled \$0 and \$3,473 for the years ended June 30, 2018 and 2017, respectively.

Receivables consisted of the following at June 30,:

	2018	2017
Contracts and other receivables	\$ 502,646	\$ 449,595
Unconditional promises to give	<u>20,000</u>	<u>25,000</u>
	<u>\$ 522,646</u>	<u>\$ 474,595</u>

Conditional contributions: The Organization has received conditional promises to give totaling \$75,000 from two donors which will be restricted for the Family Independence Initiative, a new program that the Organization plans to launch in the future. In accordance with the terms of the gift agreements, the Organization must raise matching contributions of \$150,000 from other sources in order to meet the conditions of the gift agreements. The Organization has obtained matching contributions for the Family Independence Initiative from other donors which totaled \$66,700 during the year ended June 30, 2018. However, since the Organization has not yet raised a total of \$150,000 from other donors, the conditions included in the gift agreements from the two donors have not yet been met. Therefore, promises to give in relation to the conditional promises to give have not been recorded in the consolidated financial statements at June 30, 2018.

In order to fully fund the Family Independence Initiative for two years and have the ability to provide assistance to 100 families, the Organization's goal is to raise \$400,000 by December 31, 2018. However, if this goal is not achieved, the Organization will not proceed with the program and the Organization intends to return the contributions to the other donors. The contributions had no conditions which were stipulated by the donors. Excluding a contribution of \$10,000 which was restricted by a donor for costs related to the program launch, the balance of the contributions from other donors is included in refundable advances totaling \$56,700 at June 30, 2018.

Notes to the Consolidated Financial Statements

E. PROPERTY AND EQUIPMENT

Acquisitions of property and equipment greater than \$1,000 are recorded at cost and depreciated using the straight-line method over estimated useful lives (buildings – 10 to 27.5 years; building improvements – 10 to 20 years; and furniture, equipment, and vehicles – 3 to 10 years). Leasehold improvements are amortized using the straight-line basis over the remaining term of the lease.

Property and equipment consisted of the following at June 30,:

	2018	2017
Land	\$ 555,197	\$ 666,092
Building and improvements	1,282,709	1,768,073
Leasehold improvements	521,439	511,140
Furniture and equipment	680,022	613,071
Vehicles	49,897	60,396
	<u>3,089,264</u>	<u>3,618,772</u>
Less accumulated depreciation and amortization	<u>(1,943,647)</u>	<u>(2,200,749)</u>
	<u>\$ 1,145,617</u>	<u>\$ 1,418,023</u>

Gain on sales of property and equipment: During the year ended June 30, 2018, the Organization sold the land and buildings related to the Maplewood and Regalwood properties. The Organization received net proceeds totaling \$628,749, which equaled the sale prices of the properties less the related closing costs. Net proceeds from the sales were primarily used to pay the mortgage debt remaining on the properties. The gain on sales of property and equipment included the following for the year ended June 30, 2018:

	Maplewood	Regalwood	Vehicle	Total
Proceeds from sales, net	\$ 437,462	\$ 191,287	\$ 8,000	\$ 636,749
Net book value	(203,186)	(27,621)	(4,725)	(235,532)
	<u>\$ 234,276</u>	<u>\$ 163,666</u>	<u>\$ 3,275</u>	<u>\$ 401,217</u>

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 donated facilities revenue and expense (see Note K).

Notes to the Consolidated Financial Statements

F. TENANT LEASES

The Organization has approximately 40 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. The Organization's rental income was \$266,780 and \$310,728 for the years ended June 30, 2018 and 2017, respectively.

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 \$12,746 and \$13,944 at June 30, 2018 and 2017, respectively. The liability for tenant security deposits has been included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

G. FORGIVABLE NOTES PAYABLE

Montgomery County provides funding to the Organization in the form of promissory notes that may be forgiven if certain conditions are met, some of which are as simple as the passage of time. The Organization's forgivable notes payable are considered to be liabilities until the conditions of debt forgiveness have been met. While management believes the conditions of debt forgiveness will be met, if the stipulated conditions of debt forgiveness are not met, the notes payable will be repaid in accordance with their terms.

The Organization had one forgivable note payable totaling \$588,470 at June 30, 2018 and 2017, respectively. 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 years ended June 30, 2018 and 2017.

H. NOTES PAYABLE

The Organization has financed the acquisition of various housing properties or building improvements through debt obligations from various lenders such as financial institutions, the State of Maryland Department of Housing and Community Development, or the Montgomery County Department of Housing. The Organization's various housing properties are pledged as security in relation to the notes payable.

Default and forbearance: The Organization defaulted on one of its debt obligations during the year ended June 30, 2018. In relation to the line-of-credit that had an interest rate of 5% and a balance due of \$240,000 at June 30, 2017, the Organization signed a forbearance and modification agreement which was effective February 14, 2018.

The forbearance agreement converted the line-of-credit to a revised debt instrument with an interest rate of 5.5% and maturity date of July 1, 2019. The outstanding balance due on the date of the agreement was \$230,000 but the Organization was also required to pay legal fees, accrued interest, and other costs. Monthly payments of principal and interest are due over the term of the forbearance agreement. The balance due on the forbearance totaled \$206,675 at June 30, 2018.

Notes to the Consolidated Financial Statements

H. NOTES PAYABLE – CONTINUED

Loan guarantees: As indicated in the chart below, two of IW's mortgages have been guaranteed by IHC.

Line-of-credit: The Organization has a line-of-credit with a commercial bank which makes available a total of \$275,000 for draw-down. The line-of-credit is secured by various properties owned by the Organization and the balance due is payable upon demand. Draws on the line-of-credit totaled \$0 and \$265,000 during the years ended June 30, 2018 and 2017, respectively. The Organization has made no repayments during the years ended June 30, 2018 and 2017. Therefore, a balance due of \$265,000 is included in the consolidated statement of financial position as of June 30, 2018.

Potentially forgivable note payable: The mortgage with a maturity in 2041 and an interest rate of 1.00% which has a balance of \$63,666 at June 30, 2018 could be a forgivable note payable. However, the underlying note documents do not conclusively indicate forgiveness even though the note was provided by Montgomery County and requires no principal payments. Due to the uncertainty of forgiveness, the note payable has not been classified as a forgivable note payable in the consolidated financial statements.

The notes payable have no debt covenants other than to provide financial information to lenders. The notes payable have various interest rates and maturities and consisted of the following at June 30, 2018:

Type of Note	Rate	Maturity	Principal
Line-of-credit	4.63%	2019	\$ 265,000
Mortgage	5.25%	2019	248,298
Forbearance (IHC guarantees)	5.50%	2019	206,675
Mortgage (IHC guarantees)	4.61%	2023	351,693
Mortgage	3.00%	2026	3,615
Mortgage	4.00%	2026	15,791
Mortgage	1.00%	2041	63,666
			\$ 1,154,738

Future maturities of principal under the notes payable are as follows at June 30, 2018:

Year Ending June 30,	Amount
2019	\$ 740,773
2020	21,701
2021	22,643
2022	23,630
2023	283,014
Thereafter	62,977
	\$ 1,154,738

Interfaith Works, Inc. & Affiliate

Notes to the Consolidated Financial Statements

I. NET ASSETS

Unrestricted: Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. Undesignated net assets are used for the general operations of the Organization. Designated net assets include those net assets whose use by the Organization has been designated by resolution of the Board of Directors. Unrestricted net assets consisted of the following at June 30,:

	2018	2017
Undesignated	\$ 548,506	\$ (64,726)
Designated		
Reserve fund	90,605	90,605
McGregor fund	19,651	19,651
Dring advocacy fund	2,023	2,023
Board-designated endowment fund	12,595	339,119
Subtotal designated	124,874	451,398
	\$ 673,380	\$ 386,672

Losses from operations: The Organization reported losses from operations averaging approximately \$300,000 annually for three consecutive years (2017, 2016, and 2015) and the Organization reported another loss from operations for the year ended June 30, 2018. The Organization has finalized a plan to remove the losses from operations, which includes increasing unrestricted contributions in addition to decreasing certain administrative and programmatic expenses. While management's plan is no guarantee of future success, it evidences efforts to contain the trend of losses and return the Organization to a sustainable level of operations.

Temporarily restricted: Temporarily restricted net assets include those net assets whose use by the Organization has been donor restricted by specified purpose or time limitations. Temporarily restricted net assets consisted of the following at June 30,:

	2018	2017
Program restrictions		
Connections	\$ 60,036	\$ -
Homeless Services	49,333	5,775
Network	20,706	-
Other	12,276	5,576
Friends in Action	10,591	-
Interfaith Clothing Center	10,115	30,000
	163,057	41,351
Time restrictions		
Interfaith Clothing Center	20,000	20,000
Homeless Services	-	5,000
	20,000	25,000
	\$ 183,057	\$ 66,351

Notes to the Consolidated Financial Statements

I. NET ASSETS – CONTINUED

Net assets were released from restrictions either by incurring expenses satisfying the donor's restricted purpose or by the passage of time which allowed for the expiration of time restrictions. Net assets released from restrictions consisted of the following for the years ended June 30,:

	2018	2017
Satisfaction of program restrictions		
Interfaith Housing Coalition	\$ 86,154	\$ 16,485
Connections	105,864	48,575
Interfaith Clothing Center	92,541	44,715
Friends in Action	33,784	26,683
Vocational Services	21,466	49,082
Emergency Assistance Coalition	7,532	77,794
Network	3,648	-
Other	3,300	3,300
Homeless Services	5,775	65,635
Subtotal program restrictions	360,064	332,269
Expiration of time restrictions		
Interfaith Clothing Center	20,000	40,000
Homeless Services	5,000	2,100
Subtotal time restrictions	25,000	42,100
	\$ 385,064	\$ 374,369

J. ENDOWMENT

The Organization's endowment consists of a fund designated by the Board of Directors to function as an endowment, which is classified as a designated fund within unrestricted net assets.

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. As part of the Organization's continuing diversification and risk management strategy, a portion of endowment funds are invested in cash, fixed income mutual funds, and equity mutual funds. The investment portfolio is intended to produce returns higher than inflation. As a result, a fair amount of risk is deemed acceptable.

Strategies Employed for Achieving Objectives

To satisfy its long-term 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 that places more emphasis on equity securities to achieve its long-term return objectives.

Notes to the Consolidated Financial Statements

J. ENDOWMENT – CONTINUED

Spending Policy and How Investment Objectives Relate to Spending Policy

The Organization's spending policy allows appropriation of the annual income upon approval of the Board. In establishing this policy, the Organization considered the long-term expected return on its endowment. The spending policy is consistent with the Organization's objective to maintain the purchasing power of the endowment assets.

Changes in the endowment fund consisted of the following for the years ended June 30,:

	2018	2017
Endowment, beginning of year	\$ 339,119	\$ 308,838
Investment return		
Net gain on investments	2,091	22,591
Interest and dividends	1,565	7,690
Total investment return	3,656	30,281
Less appropriations	(330,180)	-
Endowment, end of year	<u>\$ 12,595</u>	<u>\$ 339,119</u>

K. DONATED GOODS, FACILITIES, AND SERVICES

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

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 recorded in the consolidated statement of activities consisted of the following for the year ended June 30, 2018:

	Goods	Facilities	Services	Total
Interfaith Clothing Center	\$ 6,703,900	\$ 378,970	\$ -	\$ 7,082,870
Homeless Services	615,691	1,247,752	8,645	1,872,088
Vocational Services	2,400	10,622	37,957	50,979
Friends in Action	28,435	20,556		48,991
Interfaith Housing Coalition	4,841	18,603	1,358	24,802
Connections	3,995	8,222		12,217
Development	2,290		6,835	9,125
Emergency Assistance Coalition	330	2,000	6,200	8,530
General and administrative	508	1,953	3,563	6,024
	<u>\$ 7,362,390</u>	<u>\$ 1,688,678</u>	<u>\$ 64,558</u>	<u>\$ 9,115,626</u>

Interfaith Works, Inc. & Affiliate

Notes to the Consolidated Financial Statements

K. DONATED GOODS, FACILITIES, AND SERVICES – CONTINUED

Donated goods, facilities, and services recorded in the consolidated statement of activities consisted of the following for the year ended June 30, 2017:

	Goods	Facilities	Services	Total
Interfaith Clothing Center	\$ 5,782,224	\$ 269,523	\$ -	\$ 6,051,747
Homeless Services	667,099	907,317	7,050	1,581,466
Vocational Services	2,400	5,067		7,467
Friends in Action	21,315	6,667		27,982
Interfaith Housing Coalition	810	6,667	1,654	9,131
Connections		2,667		2,667
Emergency Assistance Coalition	800	900	3,835	5,535
General and administrative	13,850	760	44,636	59,246
	\$ 6,488,498	\$ 1,199,568	\$ 57,175	\$ 7,745,241

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 statements of activities.

Management has estimated the value of these unrecorded donated services as follows for the years ended June 30,:

	2018	2017
Interfaith Clothing Center	\$ 598,373	\$ 552,571
Homeless Services	694,822	906,862
Vocational Services	-	66,281
Friends in Action	85,168	75,387
Interfaith Housing Coalition	1,100	-
Connections	688	-
Emergency Assistance Coalition	19,766	32,469
General and administrative	20,955	44,177
	\$ 1,420,872	\$ 1,677,747

L. RETIREMENT PLAN

The Organization has a defined contribution 403(b) salary deferral and savings incentive plan, which covers all eligible employees who meet age and length of service requirements. Under the plan, the Organization may make employer discretionary contributions. The Organization provided a matching contribution equal to 1% of participant compensation and may provide an additional discretionary contribution. The Organization's contributions under the plan totaled \$29,269 and \$29,236 for the years ended June 30, 2018 and 2017, respectively.

Notes to the Consolidated Financial Statements

M. COMMITMENTS AND CONTINGENCIES

Administrative operating leases: The Organization has an operating lease for its administrative offices with Rockville United Methodist Church (RUMC). 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 rent expense related to the administrative offices is reported in rent and utilities expense within the accompanying consolidated statement of functional revenue and expense and totaled \$72,678 and \$69,503 for the years ended June 30, 2018 and 2017, respectively.

The Organization also has an operating lease for copier equipment which expires December 2018. The rent expense related to the copier equipment is reported in printing and production expense within the accompanying consolidated statement of functional revenue and expense and totaled \$23,832 and \$19,421 for the years ended June 30, 2018 and 2017, respectively.

Homeless Services operating leases: The Organization has operating leases for six houses and several apartments which are occupied by clients of the Homeless Services program. All of the Homeless Services program leases expire within one year.

The Organization has an operating lease for space that supports several programs. The lease expires in June 2023. The base monthly rental was approximately \$3,200 during the first lease year, with an annual escalation of 3%. The Organization pays its proportionate share of operating expenses and real estate taxes.

Rent expense related to all of the Homeless Services leases is reported within client support in the consolidated statement of functional revenue and expense and totaled \$475,449 and \$455,016 for the years ended June 30, 2018 and 2017, respectively.

A summary of the future minimum lease payments related to the aforementioned long-term operating leases is as follows at June 30, 2018:

Year Ending June 30,	Amount
2019	\$ 47,500
2020	41,600
2021	42,800
2022	44,100
2023	45,500
	<u>\$ 221,500</u>

Program audits: Certain programs are funded by contracts with Montgomery County and are subject to audit by the County. Until such audits have been completed, a contingency exists that the Organization could be obligated to refund amounts received in excess of allowable costs. Management believes that no material liability will result from the County's program audits.

Federal awards: The Organization participates in a number of federally assisted grant programs. Total federal expenditures were less than \$750,000 for the years ended June 30, 2018 and 2017. While a single audit was not required, these grant programs are subject to financial and compliance audits by federal agencies or their representatives. Therefore, a contingent liability may exist for potential questioned costs that would result from such an audit. Management does not anticipate any significant adjustments as a result of such an audit.

Notes to the Consolidated Financial Statements

M. COMMITMENTS AND CONTINGENCIES – CONTINUED

Security deposits: As stipulated in certain tenant lease agreements and by state law, the Organization must meet certain requirements in maintaining security deposits received from tenants. If the Organization is found to be non-compliant with the requirements, it could be liable for up to three times the amount of the original security deposit, plus reasonable attorney's fees.

Employment agreement: The Organization has an employment agreement with a key employee. Under the terms of the agreement if the Organization terminates the key employee without cause, the Organization would be obligated to pay severance in accordance with the terms of the agreement.

N. BUCKNELL APARTMENTS, LLC

The Organization, through IHC, owned 1% of Bucknell Apartments, LLC (the LLC). The Organization's interest in the LLC was not recorded in the consolidated financial statements due to the deficit in owners' equity that had consistently been reported in the LLC's financial statements for several consecutive years. During the year ended June 30, 2018, the LLC's assets, primarily consisting of the apartment building, were liquidated. As a result, the Organization received \$28,032, which was its proportionate share of the liquidation proceeds. The Organization reported a gain on sale of interest in LLC totaling \$28,032 for the year ended June 30, 2018.

O. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 11, 2018, which is the date the consolidated financial statements were available to be issued. The following subsequent events could have a significant impact on the Organization's consolidated financial statements.

Retirement plan: Effective on July 1, 2018, the Board of Directors adopted an amended and restated plan document for the retirement plan in order to effectuate an employer contribution consisting only of a discretionary match of employee deferrals. The Organization, in its sole discretion, will determine the amount of the employer matching contribution.

Carr Avenue: During September 2018, the Executive Committee approved a resolution to sell the land and building located at 719 Carr Avenue. The book value of the property was approximately \$89,000 at June 30, 2018. Management expects to complete the sale during the year ending June 30, 2019.

T A T E



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Accountants

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Independent Auditor’s Report on the Supplementary Information

To the Board of Directors
Interfaith Works, Inc. & Affiliate

We have audited the consolidated financial statements of Interfaith Works, Inc. & Affiliate (the Organization) as of and for the year ended June 30, 2018, and have issued our report thereon dated December 11, 2018, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating financial statements and the consolidated statement of expense, net of in-kind, presented on the following pages are included for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, or cash flows of the individual companies, and is not a required part of the consolidated financial statements. The supplementary 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 supplementary 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 supplementary information on the following pages is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Washington, DC
December 11, 2018

2021 L STREET, NW

SUITE 400

WASHINGTON, DC

20036

TELEPHONE

202/293-2200

FACSIMILE

202/293-2208

Interfaith Works, Inc. & Affiliate

Consolidating Statement of Financial Position

June 30, 2018

	IW	IHC	Eliminations	Consolidated
Assets				
Cash and cash equivalents	\$ 674,489	\$ 558,937	\$ -	\$ 1,233,426
Receivables	522,256	390		522,646
Due from affiliate		103,975	(103,975)	-
Loan guarantees from IHC	558,368		(558,368)	-
Prepaid expenses and other assets	45,573	6,997		52,570
Property and equipment	553,322	592,295		1,145,617
Total assets	\$ 2,354,008	\$ 1,262,594	\$ (662,343)	\$ 2,954,259
Liabilities and net assets				
Liabilities				
Accounts payable and accrued expenses	\$ 253,495	\$ 44,419	\$ -	\$ 297,914
Due to affiliate	103,975		(103,975)	-
Refundable advances	56,700			56,700
Loan guarantees to IW		558,368	(558,368)	-
Forgivable notes payable	588,470			588,470
Notes payable	823,368	331,370		1,154,738
Total liabilities	1,826,008	934,157	(662,343)	2,097,822
Net assets				
Unrestricted	344,943	328,437		673,380
Temporarily restricted	183,057			183,057
Total net assets	528,000	328,437	-	856,437
Total liabilities and net assets	\$ 2,354,008	\$ 1,262,594	\$ (662,343)	\$ 2,954,259

Interfaith Works, Inc. & Affiliate

Consolidating Statement of Activities

Year Ended June 30, 2018

	IW	IHC	Eliminations	Consolidated
Unrestricted activities				
Revenue and support				
Donated goods, facilities, and services	\$ 9,088,220	\$ 27,406	\$ -	\$ 9,115,626
Federal, state, and county contracts	4,464,500			4,464,500
Contributions	765,148		(16,845)	748,303
Rental income		266,780		266,780
Program income	163,375	2,333		165,708
Investment income	2,872	784		3,656
	14,484,115	297,303	(16,845)	14,764,573
Special events	112,064			112,064
Less costs of direct benefits to donors	(18,871)			(18,871)
	93,193	-	-	93,193
Net assets released from restriction	298,910	86,154		385,064
Total support and revenue	14,876,218	383,457	(16,845)	15,242,830
Expense				
Program services				
Interfaith Clothing Center	7,423,121			7,423,121
Homeless Services	6,081,386			6,081,386
Interfaith Housing Coalition	3,096	426,751	(16,845)	413,002
Vocational Services	294,595			294,595
Connections	179,281			179,281
Emergency Assistance Coalition	177,898			177,898
Friends in Action	148,665			148,665
Network	81,150			81,150
Other	3,654			3,654
Total program services	14,392,846	426,751	(16,845)	14,802,752
Supporting services				
Development	467,037			467,037
General and administrative	70,785	44,797		115,582
Total supporting services	537,822	44,797	-	582,619
Total expense	14,930,668	471,548	(16,845)	15,385,371
Change in unrestricted net assets from operations	(54,450)	(88,091)	-	(142,541)
Gain on sales of property and equipment	3,275	397,942		401,217
Gain on sale of interest in LLC		28,032		28,032
Loan guarantee to IW	206,675	(206,675)		-
Change in unrestricted net assets	155,500	131,208	-	286,708
Temporarily restricted activities				
Contributions	415,616	86,154		501,770
Net assets released from restriction	(298,910)	(86,154)		(385,064)
Change in temporarily restricted net assets	116,706	-	-	116,706
Change in net assets	272,206	131,208	-	403,414
Net assets, July 1, 2017	255,794	197,229		453,023
Net assets, June 30, 2018	\$ 528,000	\$ 328,437	\$ -	\$ 856,437

Interfaith Works, Inc. & Affiliate

Consolidated Statement of Expense, Net of In-Kind Year Ended June 30, 2018 with 2017 Totals

	2018			2017
	Expense	In-Kind	Expense Net of In-Kind	Expense Net of In-Kind
Program services				
Interfaith Clothing Center	\$ 7,423,121	\$ (7,082,870)	\$ 340,251	\$ 371,935
Homeless Services	6,081,386	(1,872,088)	4,209,298	4,223,285
Interfaith Housing Coalition	413,002	(24,802)	388,200	371,172
Vocational Services	294,595	(50,979)	243,616	223,990
Connections	179,281	(12,217)	167,064	140,206
Emergency Assistance Coalition	177,898	(8,530)	169,368	238,211
Friends in Action	148,665	(48,991)	99,674	111,018
Network	81,150	-	81,150	-
Other	3,654	-	3,654	3,618
Total program services	14,802,752	(9,100,477)	5,702,275	5,683,435
Supporting services				
Development	467,037	(9,125)	457,912	492,478
General and administrative	115,582	(6,024)	109,558	54,318
Total supporting services	582,619	(15,149)	567,470	546,796
Total expense	\$ 15,385,371	\$ (9,115,626)	\$ 6,269,745	\$ 6,230,231