

CONSOLIDATED FINANCIAL STATEMENTS



**INTERFAITH WORKS, INC.
AND AFFILIATE**

**FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

**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. and Affiliate (the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2023, 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 and *Government 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 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Gelman Rosenberg & Freedman". The signature is written in a cursive, flowing style.

April 3, 2024

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

ASSETS

	2023	2022
Cash and cash equivalents	\$ 1,016,286	\$ 2,941,538
Investments	2,809,985	242,861
Contributions receivable	1,695,770	1,600,664
Prepaid expenses and other assets	117,214	28,398
Property and equipment, net	882,155	625,160
Right-of-use assets, net	2,715,108	-
TOTAL ASSETS	\$ 9,236,518	\$ 5,438,621

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 503,951	\$ 170,668
Accrued salaries and related benefits	664,215	530,413
Refundable advances	10,000	100,507
Other liabilities	34,780	12,487
Note payable	6,732	8,631
Forgivable note payable	588,470	588,470
Operating lease liabilities	2,832,148	-
Total liabilities	4,640,296	1,411,176

NET ASSETS

Without donor restrictions	4,223,517	3,789,326
With donor restrictions	372,705	238,119
Total net assets	4,596,222	4,027,445
TOTAL LIABILITIES AND NET ASSETS	\$ 9,236,518	\$ 5,438,621

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Federal, state, and county grants	\$ 9,598,251	\$ -	\$ 9,598,251	\$ 7,208,671
Contributed nonfinancial assets	6,711,164	-	6,711,164	6,098,038
Contributions	1,182,193	1,053,023	2,235,216	1,944,020
Program income	92,377	-	92,377	107,552
Income from tenant leases	15,799	-	15,799	67,003
Net assets released from donor restrictions	918,437	(918,437)	-	-
Total support and revenue	<u>18,518,221</u>	<u>134,586</u>	<u>18,652,807</u>	<u>15,425,284</u>
EXPENSES				
Program Services:				
Homeless Services	9,154,682	-	9,154,682	7,277,719
Interfaith Clothing Center	6,183,211	-	6,183,211	5,650,419
Vocational Services	551,277	-	551,277	297,533
Connections	480,616	-	480,616	435,946
Emergency Assistance Coalition	201,750	-	201,750	221,059
Interfaith Housing Coalition	115,265	-	115,265	282,806
Friends in Action	-	-	-	71,353
Total program services	<u>16,686,801</u>	<u>-</u>	<u>16,686,801</u>	<u>14,236,835</u>
Supporting Services:				
General and Administrative	1,377,688	-	1,377,688	918,609
Development	780,533	-	780,533	667,866
Total supporting services	<u>2,158,221</u>	<u>-</u>	<u>2,158,221</u>	<u>1,586,475</u>
Total expenses	<u>18,845,022</u>	<u>-</u>	<u>18,845,022</u>	<u>15,823,310</u>
Changes in net assets before other items	(326,801)	134,586	(192,215)	(398,026)
OTHER ITEMS				
Net investment return	33,181	-	33,181	(39,111)
Gain on sales of property	729,729	-	729,729	1,183,217
Loss on disposal of equipment	(1,918)	-	(1,918)	-
Changes in net assets	434,191	134,586	568,777	746,080
Net assets at beginning of year	<u>3,789,326</u>	<u>238,119</u>	<u>4,027,445</u>	<u>3,281,365</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,223,517</u>	<u>\$ 372,705</u>	<u>\$ 4,596,222</u>	<u>\$ 4,027,445</u>

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023						
	Program Services						
	Homeless Services	Interfaith Clothing Center	Vocational Services	Connections	Emergency Assistance Coalition	Interfaith Housing Coalition	Total Program Services
Salary and wages	\$ 4,683,246	\$ 576,053	\$ 279,839	\$ 162,781	\$ 132,880	\$ 9,191	\$ 5,843,990
Donated goods and services	513,609	5,145,390	540	-	1,195	-	5,660,734
Client support	1,470,648	43,693	140,021	271,430	2,155	514	1,928,461
Donated facilities	829,283	190,171	10,270	12,786	-	2,131	1,044,641
Payroll taxes and related benefits	593,914	73,409	39,429	19,606	16,057	675	743,090
Legal and other professional fees	329,270	49	850	-	601	1,121	331,891
Repairs and maintenance	217,161	42,460	3,015	2,447	251	88,018	353,352
Personnel-related expenses	167,339	18,403	10,295	3,678	4,130	193	204,038
Payroll, accounting and financial	60,585	5,317	2,380	1,273	850	160	70,565
Occupancy	58,925	-	30,896	-	12,866	1,512	104,199
Computers and furniture	55,329	14,247	17,337	400	203	-	87,516
Office and supplies	52,607	37,332	5,359	1,989	1,665	181	99,133
Telephone and communications	52,145	5,473	8,062	2,426	1,497	502	70,105
Depreciation and amortization	44,200	5,437	2,641	1,536	1,254	86	55,154
Other	10,107	23,656	60	35	133	1,347	35,338
Grants to others	-	-	-	-	22,032	-	22,032
Travel and meeting	15,454	1,795	255	-	-	2,049	19,553
Printing and production	-	-	-	-	231	-	231
Conferences and meetings	-	-	-	-	3,692	-	3,692
Homeowners association fees	-	-	-	-	-	7,097	7,097
Postage and delivery	673	312	28	229	58	1	1,301
Property taxes and licenses	187	14	-	-	-	94	295
Interest	-	-	-	-	-	393	393
TOTAL	\$ 9,154,682	\$ 6,183,211	\$ 551,277	\$ 480,616	\$ 201,750	\$ 115,265	\$ 16,686,801

See accompanying notes to consolidated financial statements.

INTERFAITH WORKS, INC.
AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023 (Continued)			2022	
	Supporting Services				
	General and Administrative	Development	Total Supporting Services	Total Expenses	Total Expenses
Salary and wages	\$ 628,966	\$ 464,421	\$ 1,093,387	\$ 6,937,377	\$ 5,659,680
Donated goods and services	-	5,789	5,789	5,666,523	5,044,727
Client support	24,880	6,052	30,932	1,959,393	1,381,823
Donated facilities	-	-	-	1,044,641	1,053,311
Payroll taxes and related benefits	177,761	54,770	232,531	975,621	889,175
Legal and other professional fees	70,339	123,052	193,391	525,282	348,657
Repairs and maintenance	13,595	915	14,510	367,862	227,278
Personnel-related expenses	89,125	9,586	98,711	302,749	526,131
Payroll, accounting and financial	166,216	4,166	170,382	240,947	91,500
Occupancy	84,226	39,373	123,599	227,798	103,433
Computers and furniture	59,564	900	60,464	147,980	41,498
Office and supplies	27,445	9,386	36,831	135,964	100,590
Telephone and communications	9,537	14,111	23,648	93,753	100,449
Depreciation and amortization	5,933	4,383	10,316	65,470	81,434
Other	6,589	20,725	27,314	62,652	41,803
Grants to others	-	-	-	22,032	60,335
Travel and meeting	568	548	1,116	20,669	13,103
Printing and production	-	18,964	18,964	19,195	7,704
Conferences and meetings	7,766	160	7,926	11,618	6,854
Homeowners association fees	-	-	-	7,097	23,637
Postage and delivery	1,358	3,232	4,590	5,891	2,339
Property taxes and licenses	3,820	-	3,820	4,115	1,639
Interest	-	-	-	393	16,210
TOTAL	\$ 1,377,688	\$ 780,533	\$ 2,158,221	\$ 18,845,022	\$ 15,823,310

See accompanying notes to consolidated financial statements.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 568,777	\$ 746,080
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized and unrealized loss on investments	12,741	41,974
Depreciation and amortization	65,470	81,434
Gain on sales of property	(729,729)	(1,183,217)
Loss on disposal of equipment	1,918	-
Amortization of right-of-use assets	112,573	-
(Increase) decrease in:		
Contributions receivable	(95,106)	(823,252)
Prepaid expenses and other assets	(88,816)	8,944
Increase (decrease) in:		
Accounts payable and accrued liabilities	333,283	23,017
Accrued salaries and related benefits	133,802	188,906
Refundable advances	(90,507)	95,007
Other liabilities	22,293	(10,282)
Operating lease liabilities	<u>4,467</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>251,166</u>	<u>(831,389)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,579,865)	(31,104)
Purchases of property and equipment	(396,313)	(148,983)
Proceeds from sale of property and equipment	<u>801,659</u>	<u>1,523,522</u>
Net cash (used) provided by investing activities	<u>(2,174,519)</u>	<u>1,343,435</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	<u>(1,899)</u>	<u>(67,173)</u>
Net cash used by financing activities	<u>(1,899)</u>	<u>(67,173)</u>
Net (decrease) increase in cash and cash equivalents	(1,925,252)	444,873
Cash and cash equivalents at beginning of year	<u>2,941,538</u>	<u>2,496,665</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,016,286</u>	<u>\$ 2,941,538</u>
SUPPLEMENTAL INFORMATION:		
Cash Paid During the Year for Interest	<u>\$ 393</u>	<u>\$ 16,210</u>
SCHEDULE OF NONCASH TRANSACTIONS:		
Donated Securities	<u>\$ -</u>	<u>\$ 28,643</u>
Notes Payable Paid with Proceeds from Sales of Property	<u>\$ -</u>	<u>\$ 63,674</u>
Operating Right-of-Use Assets	<u>\$ 2,827,680</u>	<u>\$ -</u>
Operating Lease Liabilities for Right-of-Use Assets	<u>\$ 2,827,680</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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 Rockville, MD. 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) or (the Affiliate) is a non-profit organization, incorporated in the State of Maryland and located in Rockville, MD. IHC provides permanent, supportive housing and supportive services to families in 26 units across Montgomery County.

Program services -

Descriptions of the program services are as follows:

Homeless Services: Priscilla's House, Becky's House, and Lon's House, collectively known as the Shared Supportive Housing Program (SSH), are permanent supportive housing programs in the community for older adults with disabilities. The programs provide a welcoming, smaller home environment that delivers 24-hour care to 7 - 8 residents who are vulnerable and aging. Many have experienced homelessness for extended periods in their lives.

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 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.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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

Program services (continued) -

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.

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, 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.

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 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.

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 U.S. GAAP. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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

Basis of presentation (continued) -

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". Net assets designated 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, specifically related to federal awards, are reported as increases in net assets without donor restrictions if the restrictions either expire or are accomplished (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the same reporting period in which the support 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 or is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Changes in Net Assets as net assets released from donor restrictions.

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, 2022, from which the summarized information was derived.

New accounting pronouncement adopted -

On July 1, 2022, the Organization adopted ASU 2019-01, *Leases* (Topic 842), which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and disclosure of key information about leasing arrangements. The Organization applied the new standard using the modified retrospective approach. See Note 10 for further details.

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 which totaled \$1,654,766 as of June 30, 2023. The 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 Changes in Net Assets.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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

Investments (continued) -

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 due within one year and have been 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 or amortized on a straight-line basis over the estimated useful lives of the related assets, generally 3 to 27.5 years. Leasehold improvements are amortized over the lesser of the useful life of the assets or the remaining term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$65,470 for the year ended June 30, 2023.

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.

Support and revenue -

Contributions, including Federal, state, and county grants -

The Organization receives contributions and grants, including Federal awards from the U.S. Government and grants from the State of Maryland and the Government of Montgomery County. 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 stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support 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 purpose restrictions or satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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

Support and revenue (continued) -

Contributions, including Federal, state, and county grants (continued) -

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal 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 meeting specified conditions established by donors are recorded as refundable advances. The Organization's refundable advances totaled \$10,000 as of June 30, 2023.

In addition, the Organization has obtained funding source agreements related to conditional contributions, which will be received in future years. The Organization's unrecognized conditional contributions to be received in future years totaled \$1,527,020 as of June 30, 2023.

Program income -

The Organization has one revenue stream that is treated as an exchange transaction following ASC Topic 606. Program income consists of client service fees and revenue is recognized when clients receive services. Revenue from contracts with customers is recorded when the performance obligations are met. The Organization has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Amounts received in advance of satisfying performance obligations is recorded as deferred revenue. Most of the Organization's contracts with customers have initial terms of one year or less.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of donated goods, facilities, and services. 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.

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 Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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

Functional allocation of expenses (continued) -

Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the functional area and those expenses that benefit more than one functional area are allocated based on actual time spent.

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.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation with no effect on the previously reported change on net assets. In particular, the prior year support and expense related to contributed nonfinancial assets (donated facilities) was reduced by \$410,700.

New accounting pronouncement not yet adopted -

Accounting Standard Update (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 ASU is effective for the year ending June 30, 2024. The ASU can be applied at the beginning of the period of adoption using a modified retrospective approach.

The Organization plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying consolidated financial statements.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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.

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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.

- *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.

Investments, measured at fair value on a recurring basis, by level within the fair value hierarchy consisted of the following as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Investments				
Money Market Funds	\$ 1,654,766	\$ -	\$ -	\$ 1,654,766
Exchange Traded Funds	737,673	-	-	737,673
Mutual Funds	417,546	-	-	417,546
TOTAL INVESTMENTS	\$ 2,809,985	\$ -	\$ -	\$ 2,809,985

Net investment return consisted of the following for the year ended June 30, 2023:

Interest and dividends, net	\$ 50,308
Realized and unrealized loss on investments	(12,741)
Investment fees	(4,386)
NET INVESTMENT RETURN	\$ 33,181

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2023:

Land	\$ 266,406
Buildings	402,765
Furniture and equipment	739,213
Vehicles	106,263
Leasehold improvements	927,774
Total property and equipment	2,442,421
Less: Accumulated depreciation and amortization	(1,560,266)
PROPERTY AND EQUIPMENT	\$ 882,155

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

3. PROPERTY AND EQUIPMENT (Continued)

Gain on Sales of Property: During the year ended June 30, 2023, the Organization both listed for sale and sold three properties. The Organization received net proceeds totaling \$801,659, which equaled the sales price of the properties less closing costs of \$71,930. A gain on the sales of property totaling \$729,729 is reported in the Consolidated Statement of Activities and Changes in Net Assets during the year ended June 30, 2023.

Donated Facilities: The Organization receives free or discounted use of several facilities to support 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 9).

4. FORGIVABLE NOTE PAYABLE

Montgomery County provided funding to the Organization in the form of one promissory note that may be forgiven if certain conditions are met. In accordance with the terms of the loan, no interest is payable on the loan. 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 forgivable note payable has been treated as a conditional contribution in accordance with ASC 958.

The Organization's forgivable note payable totaled \$588,470 at June 30, 2023. The forgivable note payable is eligible to be forgiven during the year ending June 30, 2038.

5. 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.

The note payable matures in July 2026 and has no debt covenants other than to provide financial information to the lender. The note payable has an interest rate of 4% and the balance due totaled \$6,732 as of June 30, 2023.

Principal payments on the note payable are due as follows as of June 30, 2023:

Year Ending June 30.

2024	\$	2,065
2025		2,149
2026		2,237
2027		<u>281</u>
	\$	<u><u>6,732</u></u>

Interest expense related to the Organization's note payable totaled \$393 for the year ended June 30, 2023.

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

6. BOARD DESIGNATED NET ASSETS

Net assets without donor restrictions have been designated by the Board of Directors for the following purpose as of June 30, 2023:

Operating Reserve	\$ <u>2,809,985</u>
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7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30, 2023:

Purpose restricted:	
Homeless Services	\$ 60,457
Food Hub	51,357
Faith and Community Partnerships	10,891
Subject to passage of time	<u>250,000</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ <u>372,705</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, 2023:

Connections	\$ 253,598
Homeless Services	250,141
Vocational Services	247,103
Interfaith Clothing Center	102,939
Food Hub	42,392
Faith and Community Partnerships	17,256
Emergency Assistance Coalition	<u>5,008</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ <u>918,437</u>

8. 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. The Board of Directors must authorize the use of the Board-designated net assets.

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

8. LIQUIDITY AND AVAILABILITY (Continued)

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, 2023:

Cash and cash equivalents	\$ 1,016,286
Investments	2,809,985
Contributions receivable	<u>1,695,770</u>
Subtotal financial assets available within one year	5,522,041
Less: Board-designated net assets without donor restrictions	(2,809,985)
Less: Net assets with donor restrictions	<u>(372,705)</u>
 FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	 <u>\$ 2,339,351</u>

9. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended June 30, 2023, 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, 2023. Donated goods, facilities, and services are recognized as contributions in accordance with accounting principles generally accepted in the United States of America.

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, 2023:

Goods	\$ 5,612,084
Facilities	1,044,641
Services	<u>54,439</u>
 TOTAL	 <u>\$ 6,711,164</u>

The following programs have benefited from contributed nonfinancial assets for the year ended June 30, 2023:

Interfaith Clothing Center	\$ 5,297,909
Homeless Services	1,331,666
Connections	50,439
Friends in Action	11,225
Vocational Services	10,810
Development	5,789
Interfaith Housing Coalition	2,131
Emergency Assistance Coalition	<u>1,195</u>
 TOTAL	 <u>\$ 6,711,164</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.

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

10. LEASE COMMITMENTS

Rollins Avenue: The Organization has an operating lease for office space at 981 Rollins Avenue in Rockville, Maryland. The operating lease commenced on December 6, 2022, and expires on June 30, 2038. The office lease includes a rent abatement and an escalation of base rentals which are being amortized on a basis to achieve straight-line lease expense over the term of the lease.

Taft Court: The Organization has an operating lease for space that supports several programs at 2 Taft Court in Rockville, Maryland. The operating lease originally expires on November 30, 2024, but includes an option to renew for another five year term ending on November 30, 2029. The office lease includes an escalation of base rentals which are being amortized on a basis to achieve straight-line lease expense over the term of the lease.

West Montgomery Avenue: The Organization had an operating lease for office space at 114 West Montgomery Avenue in Rockville, Maryland. The agreement expired on December 31, 2022, and rental payments were made on a month-to-month basis through May 2023.

Equipment: The Organization has two operating leases for copiers. One copier lease expires October 31, 2025, and the other copier lease expires December 31, 2025.

Effective July 1, 2022, the Organization adopted ASU 2019-01, *Leases* (Topic 842). The Organization elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. The Organization also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. The Organization adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, the Organization recorded beginning operating lease right-of-use assets totaling \$2,827,680 and beginning operating lease liabilities totaling \$2,827,680.

These implementation date amounts were determined by calculating the present value of all future rentals using risk free discount rates ranging from 2.870% to 4.480%. The operating lease right-of-use asset totaled \$2,715,108 as of June 30, 2023, and the operating lease liabilities totaled \$2,832,148 as of June 30, 2023. The weighted average lease term is 10.3 years and the weighted average discount rate is 3.66% as of June 30, 2023.

Lease expense is reported in occupancy expense within the accompanying Consolidated Statement of Functional Expenses and totaled \$204,829 for the year ended June 30, 2023.

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest, as of June 30, 2023:

<u>Year Ending June 30,</u>	
2024	\$ 148,361
2025	240,456
2026	245,265
2027	251,201
2028	258,409
Thereafter	<u>2,586,785</u>
	3,730,477
Less: Imputed interest	<u>(1,015,369)</u>
OPERATING LEASE LIABILITIES	<u>\$ 2,715,108</u>

**INTERFAITH WORKS, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

10. LEASE COMMITMENTS (Continued)

Homeless Services program leases: 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 by 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. 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 income from tenant leases totaled \$15,799 for the year ended June 30, 2023. The Organization's cost to rent all of the Homeless Services apartment leases was reported within client support expense in the Consolidated Statement of Functional Expenses and totaled \$1,060,379 for the year ended June 30, 2023.

11. 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. The employer contribution to the Plan is a discretionary match of employee deferrals. Contributions to the Plan totaled \$42,078 for the year ended June 30, 2023, and are reported in payroll taxes and related benefits in the accompanying Consolidated Statement of Functional Expenses.

12. CONCENTRATION OF SUPPORT

Approximately 44% of the Organization's revenue for the year ended June 30, 2023 was derived from grants awarded by Montgomery County government. In addition, approximately 69% of the Organization's contributions receivable as of June 30, 2023 was derived from grants awarded by Montgomery County Government. The Organization has no reason to believe that relationships with Montgomery County will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect the Organization's ability to finance ongoing operations.

13. CONTINGENCY

The Organization receives Federal, state and county grants. The Federal grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* if amounts expended exceed \$750,000 in a fiscal year. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2023. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will 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 3, 2024, the date the consolidated financial statements were issued.

SUPPLEMENTAL INFORMATION

**INTERFAITH WORKS, INC.
AND AFFILIATE**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2023**

	<u>IW</u>	<u>IHC</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
Cash and cash equivalents	\$ 917,468	\$ 98,818	\$ -	\$ 1,016,286
Investments	291,265	2,518,720	-	2,809,985
Contributions receivable	1,691,992	3,778	-	1,695,770
Due from affiliate	8,612	-	(8,612)	-
Prepaid expenses and other assets	110,067	7,147	-	117,214
Property and equipment, net	801,257	80,898	-	882,155
Right-of-use assets, net	2,715,108	-	-	2,715,108
TOTAL ASSETS	<u>\$ 6,535,769</u>	<u>\$ 2,709,361</u>	<u>\$ (8,612)</u>	<u>\$ 9,236,518</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 492,146	\$ 11,805	\$ -	\$ 503,951
Accrued salaries and related benefits	664,215	-	-	664,215
Due to affiliate	-	8,612	(8,612)	-
Refundable advances	10,000	-	-	10,000
Other liabilities	32,980	1,800	-	34,780
Note payable	-	6,732	-	6,732
Forgivable note payable	588,470	-	-	588,470
Operating lease liabilities	2,832,148	-	-	2,832,148
Total liabilities	4,619,959	28,949	(8,612)	4,640,296
NET ASSETS				
Without donor restrictions	1,543,105	2,680,412	-	4,223,517
With donor restrictions	372,705	-	-	372,705
Total net assets	1,915,810	2,680,412	-	4,596,222
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,535,769</u>	<u>\$ 2,709,361</u>	<u>\$ (8,612)</u>	<u>\$ 9,236,518</u>

**INTERFAITH WORKS, INC.
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**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>IW</u>	<u>IHC</u>	<u>Eliminations</u>	<u>Consolidated</u>
ACTIVITIES WITHOUT DONOR RESTRICTIONS				
SUPPORT AND REVENUE				
Federal, state, and county grants	\$ 9,598,251	\$ -	\$ -	\$ 9,598,251
Contributed nonfinancial assets	6,709,033	2,131	-	6,711,164
Contributions	1,182,193	-	-	1,182,193
Program income	92,377	-	-	92,377
Income from tenant leases	-	15,799	-	15,799
Net assets released from donor restrictions	918,437	-	-	918,437
	<u>18,500,291</u>	<u>17,930</u>	<u>-</u>	<u>18,518,221</u>
EXPENSES				
Program Services:				
Homeless Services	9,154,682	-	-	9,154,682
Interfaith Clothing Center	6,183,211	-	-	6,183,211
Vocational Services	551,277	-	-	551,277
Connections	480,616	-	-	480,616
Emergency Assistance Coalition	201,750	-	-	201,750
Interfaith Housing Coalition	6,049	109,216	-	115,265
Friends in Action	-	-	-	-
	<u>16,577,585</u>	<u>109,216</u>	<u>-</u>	<u>16,686,801</u>
Supporting Services:				
General and Administrative	1,377,688	-	-	1,377,688
Development	780,533	-	-	780,533
	<u>2,158,221</u>	<u>-</u>	<u>-</u>	<u>2,158,221</u>
Total expenses	<u>18,735,806</u>	<u>109,216</u>	<u>-</u>	<u>18,845,022</u>
Changes in net assets without donor restrictions before other items	(235,515)	(91,286)	-	(326,801)
OTHER ITEMS				
Net investment return	(8,059)	41,240	-	33,181
Gain on sales of property	-	729,729	-	729,729
Loss on disposal of equipment	(1,918)	-	-	(1,918)
	<u>(245,492)</u>	<u>679,683</u>	<u>-</u>	<u>434,191</u>
ACTIVITIES WITH DONOR RESTRICTIONS				
Contributions	1,053,023	-	-	1,053,023
Net assets released from donor restrictions	(918,437)	-	-	(918,437)
	<u>134,586</u>	<u>-</u>	<u>-</u>	<u>134,586</u>
Changes in net assets with donor restrictions	<u>134,586</u>	<u>-</u>	<u>-</u>	<u>134,586</u>
Changes in net assets	(110,906)	679,683	-	568,777
Net assets at beginning of year	2,026,716	2,000,729	-	4,027,445
NET ASSETS AT END OF YEAR	<u>\$ 1,915,810</u>	<u>\$ 2,680,412</u>	<u>\$ -</u>	<u>\$ 4,596,222</u>