

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2023 AND 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Interfaith Outreach & Community Partners  
Plymouth, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Interfaith Outreach & Community Partners (a nonprofit organization), which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Outreach & Community Partners as of March 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Interfaith Outreach & Community Partners and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
July 26, 2023

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,795,136	\$ 2,176,559
Grants Receivable	658,311	7,918
Pledges Receivable	30,000	30,000
Inventory	228,962	221,314
Other Assets	133,299	155,159
Total Current Assets	<u>2,845,708</u>	<u>2,590,950</u>
<b>PLEDGES RECEIVABLE, NET OF CURRENT</b>	-	30,000
<b>INVESTMENTS</b>	4,374,283	4,758,008
<b>PROPERTY AND EQUIPMENT, NET</b>	5,307,630	4,898,618
<b>FINANCING RIGHT-OF-USE ASSETS, NET</b>	<u>58,136</u>	<u>-</u>
Total Assets	<u><u>\$ 12,585,757</u></u>	<u><u>\$ 12,277,576</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 31,040	\$ 93,386
Accrued Expenses	243,904	143,958
Deferred Revenue	51,075	92,341
Current Lease Liability - Financing	9,982	-
Total Current Liabilities	<u>336,001</u>	<u>329,685</u>
<b>FINANCING LEASE LIABILITY, NET OF CURRENT PORTION</b>	<u>48,300</u>	<u>-</u>
Total Liabilities	384,301	329,685
<b>NET ASSETS</b>		
Undesignated	4,132,991	3,580,545
Board-Designated	2,094,770	2,885,948
Invested in Property and Equipment	5,249,348	4,898,618
Total Net Assets Without Donor Restrictions	<u>11,477,109</u>	<u>11,365,111</u>
Net Assets With Donor Restrictions	724,347	582,780
Total Net Assets	<u>12,201,456</u>	<u>11,947,891</u>
Total Liabilities and Net Assets	<u><u>\$ 12,585,757</u></u>	<u><u>\$ 12,277,576</u></u>

See accompanying Notes to Financial Statements.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MARCH 31, 2023**

	Operating - Without Donor Restrictions	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT</b>					
Grants and Contributions	\$ 4,309,992	\$ -	\$ 4,309,992	\$ 1,522,499	\$ 5,832,491
In-Kind Donations and Donated Services	2,088,192	-	2,088,192	-	2,088,192
Fundraising Event Contributions	403,794	-	403,794	100,500	504,294
Total Support	6,801,978	-	6,801,978	1,622,999	8,424,977
<b>REVENUE</b>					
Resale Select Revenues	580,031	-	580,031	-	580,031
Rental Income	-	-	-	-	-
Fundraising Events, Net of Expenses of \$104,653 and \$56,458, Respectively	(15,303)	-	(15,303)	-	(15,303)
Program Service Revenues	28,656	-	28,656	-	28,656
Miscellaneous Income	15,123	-	15,123	-	15,123
Total Revenue	608,507	-	608,507	-	608,507
Net Assets Released from Restrictions	1,481,432	-	1,481,432	(1,481,432)	-
Total Support and Revenue	8,891,917	-	8,891,917	141,567	9,033,484
<b>EXPENSES</b>					
Program Expenses	6,832,973	-	6,832,973	-	6,832,973
Management and General Expenses	1,397,475	-	1,397,475	-	1,397,475
Fundraising Expenses	831,301	-	831,301	-	831,301
Total Expenses	9,061,749	-	9,061,749	-	9,061,749
<b>CHANGE IN OPERATING NET ASSETS</b>	(169,832)	-	(169,832)	141,567	(28,265)
<b>NONOPERATING ACTIVITIES</b>					
Interest Income	9,265	-	9,265	-	9,265
Investment Income (Loss)	(379,482)	965	(378,517)	-	(378,517)
Government Grant - Employee Retention Credit	651,082	-	651,082	-	651,082
Transfer to (from) Board-Designated Reserves	792,143	(792,143)	-	-	-
Total Nonoperating Activities	1,073,008	(791,178)	281,830	-	281,830
<b>CHANGE IN NET ASSETS</b>	903,176	(791,178)	111,998	141,567	253,565
Net Assets - Beginning of Year	8,479,163	2,885,948	11,365,111	582,780	11,947,891
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 9,382,339</u>	<u>\$ 2,094,770</u>	<u>\$ 11,477,109</u>	<u>\$ 724,347</u>	<u>\$ 12,201,456</u>

See accompanying Notes to Financial Statements.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MARCH 31, 2022**

	Operating - Without Donor Restrictions	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT</b>					
Grants and Contributions	\$ 4,820,932	\$ -	\$ 4,820,932	\$ 1,434,201	\$ 6,255,133
In-Kind Donations and Donated Services	1,770,256	-	1,770,256	-	1,770,256
Fundraising Event Contributions	280,363	-	280,363	-	280,363
Total Support	6,871,551	-	6,871,551	1,434,201	8,305,752
<b>REVENUE</b>					
Resale Select Revenues	464,295	-	464,295	-	464,295
Rental Income	99,762	-	99,762	-	99,762
Fundraising Events, Net of Expenses of \$104,653 and \$56,458, Respectively	1,542	-	1,542	-	1,542
Program Service Revenues	43,868	-	43,868	-	43,868
Miscellaneous Income	5,433	-	5,433	-	5,433
Total Revenue	614,900	-	614,900	-	614,900
Net Assets Released from Restrictions	1,505,497	-	1,505,497	(1,505,497)	-
Total Support and Revenue	8,991,948	-	8,991,948	(71,296)	8,920,652
<b>EXPENSES</b>					
Program Expenses	6,501,099	-	6,501,099	-	6,501,099
Management and General Expenses	1,451,790	-	1,451,790	-	1,451,790
Fundraising Expenses	772,084	-	772,084	-	772,084
Total Expenses	8,724,973	-	8,724,973	-	8,724,973
<b>CHANGE IN OPERATING NET ASSETS</b>	266,975	-	266,975	(71,296)	195,679
<b>NONOPERATING ACTIVITIES</b>					
Interest Income	24,647	-	24,647	-	24,647
Investment Income (Loss)	55,287	129	55,416	-	55,416
Government Grant - Employee Retention Credit	-	-	-	-	-
Transfer to (from) Board-Designated Reserves	201,636	(201,636)	-	-	-
Total Nonoperating Activities	281,570	(201,507)	80,063	-	80,063
<b>CHANGE IN NET ASSETS</b>	548,545	(201,507)	347,038	(71,296)	275,742
Net Assets - Beginning of Year	7,930,618	3,087,455	11,018,073	654,076	11,672,149
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 8,479,163</u>	<u>\$ 2,885,948</u>	<u>\$ 11,365,111</u>	<u>\$ 582,780</u>	<u>\$ 11,947,891</u>

See accompanying Notes to Financial Statements.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2023**

	Program Service Expenses						
	Discover Community Needs and Opportunities	Engage Stakeholders and Partners	Deliver Services	Total Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Food	\$ -	\$ -	\$ 1,348,300	\$ 1,348,300	\$ -	\$ -	\$ 1,348,300
Housing and Neighborhoods	-	-	980,680	980,680	-	-	980,680
Education and Youth	-	-	684,733	684,733	-	-	684,733
Family Support	-	-	198,406	198,406	-	-	198,406
Transportation	-	-	164,553	164,553	-	-	164,553
Employment	-	-	10,515	10,515	-	-	10,515
Subtotal with In-Kinds	-	-	3,387,187	3,387,187	-	-	3,387,187
Compensation	305,292	603,787	877,942	1,787,021	1,064,527	628,533	3,480,081
Grant to Other Organization	-	200,000	-	200,000	-	-	200,000
Occupancy	40,143	118,366	146,554	305,063	32,259	25,849	363,171
Office Expenses	21,096	67,741	73,443	162,280	37,224	96,401	295,905
Professional Services	18,405	37,810	60,346	116,561	171,748	30,238	318,547
Marketing	1,965	5,576	5,206	12,747	15,445	23,178	51,370
Special Event Direct Expense	-	-	-	-	-	104,653	104,653
Miscellaneous Expense	6,546	14,294	20,138	40,978	47,897	3,786	92,661
In-Kinds: Resale	-	573,912	101,279	675,191	-	-	675,191
In-Kinds: Other	-	2,864	7,619	10,483	4,420	10,577	25,480
Interest	-	-	-	-	743	-	743
Total Expenses Before Depreciation	393,447	1,624,350	4,679,714	6,697,511	1,374,263	923,215	8,994,989
Depreciation and Amortization	15,861	52,935	66,666	135,462	23,212	12,739	171,413
Total Functional Expenses	409,308	1,677,285	4,746,380	6,832,973	1,397,475	935,954	9,166,402
Less: Special Event Direct Expense	-	-	-	-	-	(104,653)	(104,653)
Total Expenses per Statement of Activities	<u>\$ 409,308</u>	<u>\$ 1,677,285</u>	<u>\$ 4,746,380</u>	<u>\$ 6,832,973</u>	<u>\$ 1,397,475</u>	<u>\$ 831,301</u>	<u>\$ 9,061,749</u>

See accompanying Notes to Financial Statements.



**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2022**

	Program Service Expenses						
	Discover Community Needs and Opportunities	Engage Stakeholders and Partners	Deliver Services	Total Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Food	\$ -	\$ -	\$ 1,078,086	\$ 1,078,086	\$ -	\$ -	\$ 1,078,086
Housing and Neighborhoods	-	-	1,013,203	1,013,203	-	-	1,013,203
Education and Youth	-	-	629,317	629,317	-	-	629,317
Family Support	-	-	228,649	228,649	-	-	228,649
Transportation	-	-	253,793	253,793	-	-	253,793
Employment	-	-	15,811	15,811	-	-	15,811
Subtotal with In-Kinds	-	-	3,218,859	3,218,859	-	-	3,218,859
Compensation	303,257	583,157	865,048	1,751,462	921,231	545,359	3,218,052
Grant to Other Organization	-	223,000	-	223,000	-	-	223,000
Occupancy	37,881	104,032	135,158	277,071	32,649	23,764	333,484
Office Expenses	19,865	54,348	64,016	138,229	64,616	75,983	278,828
Professional Services	8,963	19,990	29,768	58,721	359,175	46,734	464,630
Marketing	2,711	5,856	6,749	15,316	24,996	51,171	91,483
Special Event Direct Expense	-	-	-	-	-	56,458	56,458
Miscellaneous Expense	4,662	11,448	11,719	27,829	27,338	2,428	57,595
In-Kinds: Resale	-	527,136	93,024	620,160	-	-	620,160
In-Kinds: Other	-	2,382	37,994	40,376	3,157	15,195	58,728
Total Expenses Before Depreciation	377,339	1,531,349	4,462,335	6,371,023	1,433,162	817,092	8,621,277
Depreciation	15,442	50,408	64,226	130,076	18,628	11,450	160,154
Total Functional Expenses	392,781	1,581,757	4,526,561	6,501,099	1,451,790	828,542	8,781,431
Less: Special Event Direct Expense	-	-	-	-	-	(56,458)	(56,458)
Total Expenses per Statement of Activities	<u>\$ 392,781</u>	<u>\$ 1,581,757</u>	<u>\$ 4,526,561</u>	<u>\$ 6,501,099</u>	<u>\$ 1,451,790</u>	<u>\$ 772,084</u>	<u>\$ 8,724,973</u>

See accompanying Notes to Financial Statements.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MARCH 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 253,565	\$ 275,742
Adjustments to Reconcile Change in Net Assets to Net		
Cash Provided by Operating Activities:		
Depreciation	168,505	160,154
Amortization of ROU Asset	2,907	-
Realized and Unrealized Loss on Investments	439,732	41,049
Loss on Disposal of Property and Equipment	378	1,880
Changes in Assets and Liabilities:		
Grants Receivable	(650,393)	31,391
Pledges Receivable	30,000	23,405
Inventory	(7,648)	36,619
Other Assets	21,860	30,068
Accounts Payable	(62,346)	2,490
Accrued Expenses	99,946	21,853
Deferred Revenue	(41,266)	88,992
Net Cash Provided by Operating Activities	<u>255,240</u>	<u>713,643</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(577,895)	(10,196)
Purchase of Investments	(2,023,926)	(1,086,216)
Proceeds from Sale of Investments	1,967,919	460,161
Net Cash Used by Investing Activities	<u>(633,902)</u>	<u>(636,251)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Financing Leases	(2,761)	-
Net Cash Used by Financing Activities	<u>(2,761)</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(381,423)	77,392
Cash and Cash Equivalents - Beginning of Year	<u>2,176,559</u>	<u>2,099,167</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,795,136</u>	<u>\$ 2,176,559</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
In-Kind Donations	<u>\$ 2,088,192</u>	<u>\$ 1,770,256</u>

See accompanying Notes to Financial Statements.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 1 NATURE OF OPERATIONS**

The mission of Interfaith Outreach & Community Partners (Interfaith Outreach) is to strengthen our community by meeting basic needs and equipping individuals and families for ongoing stability. A suburban human service nonprofit serving low-income families and individuals of eight west Hennepin County communities, Interfaith Outreach mobilizes human, financial and in-kind resources that help residents move past crises, overcome barriers to successful living, and access opportunities to build strong futures. 8% of residents living in the Interfaith Outreach service area struggle with poverty. Interfaith Outreach delivers services in the areas of family support, food, housing and neighborhoods, education and youth, employment, and transportation. Interfaith Outreach has been serving residents of Hamel, Long Lake, Medicine Lake, Medina, Minnetonka Beach, Orono, Plymouth, and Wayzata since 1979.

**Discover Community Needs and Opportunities**

Interfaith Outreach and its community partners stay in touch with changing needs, trends, aspirations and opportunities that inform and position the organization and the community for timely collective action and impact.

**Engage Stakeholders and Partners**

Interfaith Outreach engages program participants, community partners, and volunteers in addressing complex socio-economic issues; leveraging resources (money, tangible goods, time and expertise); building mutually beneficial relationships; creating a welcoming and inclusive community experience; and enhancing overall service delivery and community impact.

Since 1979, Interfaith Outreach has successfully partnered across community sectors and systems — with thousands of volunteers and donors, faith communities, charitable foundations, public/private education systems, corporations, local businesses, health systems, government entities, civic/community groups, and other family service organizations. Together we lead, rally and ignite the power of a caring community to respond to need in times of crises, to remove barriers that marginalize families and kids, and to create opportunities for all to thrive. On-site and remote partners including Wayzata Public Schools; Washburn Center for Children; Relate Counseling Center; and Nutrition for All extend our impact.

Resale Select, a thrift/resale store open to the public, sells contemporary, top-quality clothing and household goods donated by the community in-store and online. The store benefits Interfaith Outreach by making donated clothing and household goods available to local families struggling with poverty and the general public while engaging volunteers in service and leadership.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 1 NATURE OF OPERATIONS (CONTINUED)**

**Deliver Services**

Interfaith Outreach delivers holistic services to help our community meet their basic needs and to equip individuals and families for ongoing stability. In the 2023 fiscal year, we helped 1,545 households, including 353 households coming to Interfaith Outreach for support for the first time to meet basic needs and to support ongoing stability.

We provide services in six areas:

**FOOD:** The food shelf provides a food safety net and supplemental resource for families and individuals who live on low and fixed incomes.

**FAMILY SUPPORT:** Case managers work side by side with families in times of need such as job loss, pending eviction, family breakup, a medical crisis, car repair, childcare needs, access to mental health services, and more. In addition, holiday, birthday, new baby, and other programs engage our community in caring for families -- it's the little things that make a huge difference.

**HOUSING AND NEIGHBORHOODS:** We provide rent assistance to prevent homelessness, offer transitional housing support for homeless families with children, provide intense case management services for formerly long-term homeless families, provide comprehensive support for families who live in nine multi-unit affordable housing neighborhoods, and partner with developers to preserve and increase the number of affordable rental units in our community.

**EDUCATION AND YOUTH:** We are the backbone organization of a collective impact initiative that brings together local early childhood care providers, the Wayzata and Orono School Districts, community health care providers, volunteers, and other stakeholders to provide programs and services designed to address educational inequities among preschool, school-age children, and youth of our community.

**EMPLOYMENT:** We support adults in finding and keeping jobs by addressing work readiness barriers, identifying and building skills, and implementing individual job search strategies. We bring together highly engaged job seekers with employers and training partners to create opportunities that set them up for living wage employment.

**TRANSPORTATION:** Interfaith Outreach provides transportation assistance to ensure people can find and keep jobs, a critical need in the suburbs where public transportation options are limited. We provide transportation assistance through car repairs, insurance and registration payments, and vehicle donation.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of Interfaith Outreach and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Resources that are not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources.

*Net Assets With Donor Restrictions* – Those resources subject to donor-imposed restrictions which will be satisfied by actions of Interfaith Outreach or passage of time.

**Adoption of New Accounting Standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Interfaith Outreach adopted the requirements of the guidance effective April 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. The Organization elected to adopt the package of practical expedients available in the year of adoption, and elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

The Organization also adopted ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, during the year ending March 31, 2023. The accounting change has been retrospectively applied.

**Cash and Cash Equivalents**

Interfaith Outreach considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At various times throughout the year, Interfaith Outreach had cash balances in excess of Federal Deposit Insurance Corporation insurance limits.

**Certificates of Deposit**

Balance consists of brokered certificates of deposit with maturity dates of 12 months or less. These short-term investments are recorded at cost, which approximates fair value.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Grants and Pledges Receivable**

Grants and pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Grants and pledges that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the grant or pledge is received. Amortization of the discount is included in contribution revenue. Conditional grants and pledges are not included as support until such time as the conditions are substantially met.

Bad debts are provided for using the reserve method based upon management's assessment of collectability. When all collection efforts are exhausted, the balance is written off against the related allowance. At March 31, 2023 and 2022, balances for pledges receivable were \$30,000 and \$60,000, respectively. No discount and no allowance were recorded in either year.

**Inventory**

Inventory consists of food shelf inventory and Resale Select inventory.

Food shelf inventory represents perishable and nonperishable food and other household products on hand at year-end. Items have either been purchased by Interfaith Outreach or donated. Items are valued at an average cost per pound of \$1.95 and \$1.77 at March 31, 2023 and 2022, respectively.

Pounds of food distributed to clients from the food shelf during the years ended March 31, 2023 and 2022 totaled 685,854 and 602,561, respectively. The total value of food distributed, using \$1.95 and \$1.77 per pound, was \$1,335,148 and \$1,066,533 for the years ended March 31, 2023 and 2022, respectively. In-kind food and gift card contributions totaled \$1,121,731 and \$907,309 for the years ended March 31, 2023 and 2022, respectively. Interfaith Outreach purchased food inventory of \$208,214 and \$122,131 for the years ended March 31, 2023 and 2022, respectively.

Resale Select inventory represents donated clothing and other household goods on hand at year-end that are available for sale. Items are recorded at an estimated value based upon the type of item. In-kind contributions of donated clothing, household goods, and gift cards to clients totaled \$718,908 and \$638,284 for the years ended March 31, 2023 and 2022, respectively.

**Investments**

Interfaith Outreach records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Interfaith Outreach capitalizes all expenditures for property and equipment in excess of \$2,500. Purchases of personal computers, including desktops, laptops, and personal printers are expensed regardless of cost. Property and equipment is carried at cost, if purchased, or fair market value at the date of gift, if received as contributions.

Depreciation is computed on a straight-line basis over estimated useful lives of 15 to 40 years for building and building improvements and 5 to 10 years for equipment. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance, repairs, and minor replacements are expensed as incurred.

**Leases**

Interfaith Outreach determines if an arrangement is a lease at inception. Leases are reported on the statements of financial position as a right-of-use (ROU) asset and lease liability.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Interfaith Outreach will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Interfaith Outreach has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, Interfaith Outreach has elected to use their incremental borrowing rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

**Revenue Recognition**

Grants and contributions are recognized as revenue when they are received or unconditionally pledged.

Interfaith Outreach reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Rental income is recognized on a straight-line basis over the period of time outlined in the contract terms.

Resale Select revenues are recognized at the point of sale. Fundraising event revenue consists of event tickets, auctions and raffles and is recognized at a point in time when the respective event takes place. Program service revenue is recognized over a period of time as contracted services are provided and earned.

The following table shows the Interfaith Outreach's program revenue disaggregated according to the timing of the transfer of goods and services:

	2023	2022
Revenue Recognized at Point in Time:		
Resale Select Revenues	\$ 580,031	\$ 464,295
Fundraising Events	(15,303)	1,542
Total Revenue Recognized at Point in Time	<u>\$ 564,728</u>	<u>465,837</u>
Revenue Recognized Over Time:		
Program Service Revenues	\$ 28,656	\$ 43,868
Total Revenue Recognized Over Time	<u>\$ 28,656</u>	<u>\$ 43,868</u>

**Employee Retention Credit**

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended March 31, 2023, Interfaith Outreach applied for Employee Retention Credit (ERC) grant funding from the Internal Revenue Service. Interfaith Outreach recognized \$651,082 of grant revenue related to performance requirements being met in compliance with the program during the year ended March 31, 2023. Subsequent to year-end, Interfaith Outreach received payment which was comprised of both the claimed amount and interest earned.

Eligibility and conditions for the ERC program may be audited by the Internal Revenue Service. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; management is of the opinion that any audit will not have a material adverse impact on Interfaith Outreach's financial position.

**In-Kind Donations**

Contributions of noncash items (e.g., food, clothing, and household goods) are recorded at their fair values in the period received.

**Donated Services**

Interfaith Outreach receives a substantial amount of services donated by its volunteers in carrying out its mission and exempt purpose. Contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.



**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services (Continued)**

In addition, there was a significant amount of services provided by volunteers that have not been reflected in the accompanying statements of activities because the accounting criteria for recognition of such volunteer efforts have not been satisfied. These additional volunteer hours totaled approximately 35,000 and 34,000 and were valued at approximately \$1,050,000 and \$970,000 for the years ended March 31, 2023 and 2022, respectively.

See Note 10 for further detail on in-kind donations.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and benefits are allocated based on management's best estimates of time spent by employee by function. Office expenses such as equipment maintenance, supplies and information technology support are allocated based on full-time equivalents by department or program. Occupancy costs such as telephone and utilities are allocated based on square footage occupied by department or program. All direct client assistance expenses are allocated to program expenses.

**Use of Estimates**

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Nonoperating Activities**

Nonoperating activities consist of gains and losses and other occurrences that fall outside of the normal operations of Interfaith Outreach, including investment income, and reserve transfers designated by the board for long-term housing projects and operating reserves.

**Tax-Exempt Status**

Interfaith Outreach is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable state statutes and is generally not subject to income taxes. It has been classified as an organization that is not a private foundation under the IRC. Charitable contributions by donors are tax deductible.

Interfaith Outreach follows the income tax standard regarding the recognition and measurement of uncertain tax positions. Interfaith Outreach's tax returns are subject to review by federal and state authorities. Interfaith Outreach is not aware of any activities that would jeopardize its tax-exempt status.

**Subsequent Events**

In preparing these financial statements, Interfaith Outreach has evaluated subsequent events and transactions for potential recognition or disclosure through July 26, 2023, the date the financial statements were available to be issued.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES**

Interfaith Outreach routinely monitors liquidity for operations in accordance with its financial policies. In the event of an unanticipated liquidity need, the Philanthropic Equity Reserve and general operating reserve could be accessed with board approval. In addition, Interfaith Outreach has a committed line of credit in the amount of \$2,500,000, which it could draw upon as needed (see Note 7).

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consist of the following:

	2023	2022
Cash and Cash Equivalents	\$ 1,795,136	\$ 2,176,559
Grants Receivable	658,311	7,918
Pledges Receivable	30,000	30,000
Investments	4,374,283	4,758,008
Total	6,857,730	6,972,485
Less Balances Restricted by Donor or Board Designation:		
Funds Designated by the Board for Housing	(215,282)	(15,282)
Funds Designated by the Board for Future Building		
Needs	(117,655)	(642,528)
Funds Designated by the Board as a General		
Operating Reserve	(558,000)	(558,000)
Funds Designated by the Board as a Founders Fund	(516,288)	(912,395)
Funds Designated by the Board Raised by the		
Philanthropic Equity Campaign	(687,545)	(757,743)
Funds Restricted by Donors for Programs	(724,347)	(582,780)
Total	<u>\$ 4,038,613</u>	<u>\$ 3,503,757</u>

Other assets estimated to be available within 12 months include accounts receivable of \$1,032 and \$13,912 for the years ended March 31, 2023 and 2022, respectively.

According to its financial policies, Interfaith Outreach maintains reserves to ensure the stability of its mission, programs, employment, and ongoing operations of the organization. Authority to use reserves is governed by the Reserve Policy, with approvals required by the board or committee of the board. Reserves include the following:

- Housing Reserve – For projects to increase the number of affordable housing properties in our service area. Board policy is to maintain this fund at \$200,000-\$400,000, with the intention to fund housing projects at \$200,000 per project.
- Building Reserve – For maintaining the assets of the Interfaith Outreach headquarters building. Leadership meets periodically to assess major maintenance needs of the building such as roofing, HVAC, parking lot, etc. and the target balance is calculated using a five-year estimated cost projection.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

- Operating Reserve – To ensure a ready source of funds for unexpected or unplanned expenses, a target minimum of one month of budgeted operating costs, excluding depreciation, in-kinds, and one-time expenses is reserved.
- Founders Fund – Launched in FY19, these funds are used to maintain and grow programming around three critical areas in our community: expand affordable housing, enhance academic success of children and youth, and access to mental health services.
- Philanthropic Equity Reserve – Funds raised in 2014 during a one-time philanthropic equity campaign, known as the Stabilize, Strengthen, and Thrive (SST) Campaign, are used to strengthen programs, increase revenue-generation capabilities, expand organizational and community impact, and support the organization finances and operating budget. The SST Reserve is expected to be exhausted over time and not replenished.

**NOTE 4 PLEDGES RECEIVABLE**

Unconditional pledges receivable are estimated to be collected as follows at March 31:

	2023	2022
Receivable in:		
Less Than One Year	\$ 30,000	\$ 30,000
One to Three Years	-	30,000
Gross Pledges Receivable	30,000	60,000
Less: Present Value Discount	-	-
Pledges Receivable, Net	<u>\$ 30,000</u>	<u>\$ 60,000</u>

At March 31, 2023, one donor accounted for 100% of the total pledges receivable balance.

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment at March 31 consists of the following:

	2023	2022
Land	\$ 1,463,769	\$ 1,463,769
Building	5,071,755	4,504,938
Equipment	660,422	677,858
Total Property and Equipment	7,195,946	6,646,565
Less: Accumulated Depreciation	(1,888,316)	(1,747,947)
Property and Equipment, Net	<u>\$ 5,307,630</u>	<u>\$ 4,898,618</u>

Depreciation expense was \$168,505 and \$160,155 for the years ended March 31, 2023 and 2022, respectively.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 6 LEASES**

In January 2023, Interfaith Outreach entered into a 63-month noncancelable financing lease for office equipment. The following table provides quantitative information concerning the financing lease for the year ended March 31, 2023:

<b>Lease Cost</b>	<u>Amount</u>
Finance Lease Cost:	
Amortization of Right-of-Use Assets	\$ 2,944
Interest on Lease Liabilities	<u>1,123</u>
Total Lease Cost	<u><u>\$ 4,067</u></u>

**Other Information**

Cash Paid for Amounts Included in the	
Measurement of Lease Liabilities:	
Operating Cash Flows from Finance Leases	\$ 1,123
Financing Cash Flows from Finance Leases	2,381
Right-of-Use Assets Obtained in Exchange for New	
Finance Lease Liabilities:	61,831
Weighted-Average Remaining Lease Term -	
Finance Leases	5.0 years

Future minimum lease commitments for the financing lease are as follows:

<u>Year Ending March 31,</u>	<u>Financing</u>
2024	\$ 14,014
2025	14,014
2026	14,014
2027	14,014
2028	14,014
Thereafter	<u>1,168</u>
Undiscounted cash flows	71,239
(Less) Imputed interest	<u>(11,789)</u>
Total present value	<u><u>\$ 59,450</u></u>

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 7 FAIR VALUE MEASUREMENTS AND DISCLOSURES**

Interfaith Outreach reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets that an organization can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 7 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

The following tables present assets measured at fair value on a recurring basis at March 31, 2023 and 2022:

		Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2023	Total			
Investments:				
Equities	\$ 2,274,510	\$ 2,274,510	\$ -	\$ -
Fixed Income	1,742,911	409,770	1,333,141	-
Subtotal	4,017,421	<u>\$ 2,684,280</u>	<u>\$ 1,333,141</u>	<u>\$ -</u>
Cash and Cash Equivalents	356,862			
Total Investments	<u>\$ 4,374,283</u>			

		Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2022	Total			
Investments:				
Equities	\$ 2,957,322	\$ 2,957,322	\$ -	\$ -
Fixed Income	1,681,307	457,763	1,223,544	-
Subtotal	4,638,629	<u>\$ 3,415,085</u>	<u>\$ 1,223,544</u>	<u>\$ -</u>
Cash and Cash Equivalents	119,379			
Total Investments	<u>\$ 4,758,008</u>			

**NOTE 8 LINE OF CREDIT**

Interfaith Outreach has an available revolving line of credit with a bank enabling it to borrow up to \$2,500,000. The line of credit bears interest at a variable rate determined by subtracting 0.75% per annum from the Prime Rate at the time funds are drawn. The interest rate at March 31, 2023 was 7.25%. The line of credit is secured by Interfaith Outreach's investment and cash accounts. There was no outstanding balance on the line of credit at March 31, 2023.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 9 NET ASSETS**

**Without Donor Restrictions**

Net assets without donor restrictions consist of the following at March 31:

	<u>2023</u>	<u>2022</u>
Invested in Property and Equipment	\$ 5,249,348	\$ 4,898,618
Undesignated	4,132,991	3,580,545
Board-Designated:		
Founders Fund	516,288	912,395
Philanthropic Equity Reserve	687,545	757,743
Long-Term Housing Reserve	215,282	15,282
Building Reserve	117,655	642,528
Operating Reserve	558,000	558,000
Total Board-Designated	<u>2,094,770</u>	<u>2,885,948</u>
Total Net Assets Without Donor Restrictions	<u>\$ 11,477,109</u>	<u>\$ 11,365,111</u>

The designated reserves are to be used with board authorization, as outlined in Note 3.

**With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at March 31:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specific Purpose:		
Programs	\$ 724,347	\$ 582,780
Total	<u>\$ 724,347</u>	<u>\$ 582,780</u>

**Released from Restriction**

Net assets released from restriction for the years ended March 31 included the following:

	<u>2023</u>	<u>2022</u>
Purpose Restrictions Accomplished:		
Programs	\$ 1,481,432	\$ 1,505,497
Total	<u>\$ 1,481,432</u>	<u>\$ 1,505,497</u>

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 10 IN-KIND DONATIONS**

Interfaith Outreach receives various in-kind donations throughout the year. In-kind donations include primarily donated goods such as food, clothing, household goods, gift cards and other supplies as well as donated professional services. In-kind donations are utilized by program or for fundraising purposes, detailed by area for the years ended March 31:

	2023	2022
Food	\$ 1,121,731	\$ 910,467
Resale Select	718,908	638,283
Family Support	71,795	130,465
Education and Youth	82,354	56,964
Employment	-	12,941
Fundraising	89,084	17,184
Other	4,320	3,952
Total	<u>\$ 2,088,192</u>	<u>\$ 1,770,256</u>

Food donations are valued per pound, \$1.95 and \$1.77, at March 31, 2023 and 2022, respectively. Resale Select donations are valued based on a market study of estimated value by type of item at other thrift stores. Other in-kind goods and services received are valued at their estimated fair market value for comparable items or services.

**NOTE 11 RENTAL INCOME**

Interfaith Outreach leased portions of its building to governmental organizations under lease agreements that expired December 2021. Rental income was charged at a fixed rate based on square footage used by the other organizations. Rental income related to these leases was \$-0- and \$99,762 for the years ended March 31, 2023 and 2022, respectively. Included within rental income is revenue related to the tenants' share of expenses in the amount of \$-0- and \$27,860 for the years ended March 31, 2023 and 2022, respectively.



**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 12 PROGRAM EXPENSES BY IMPACT AREA**

Programs are delivered across six impact areas: Housing and Neighborhoods, Food, Education and Youth, Family Support, Transportation, and Employment. Resale Select and Community Engagement support these six areas. Expenses, including in-kinds and depreciation, follow as of March 31:

	2023	2022
Housing and Neighborhoods	\$ 1,780,775	\$ 1,815,769
Food	1,671,657	1,374,623
Education and Youth	1,123,600	1,067,087
Family Support	690,848	685,143
Resale Select	957,842	877,015
Transportation	223,819	310,929
Employment	185,833	206,727
Community Engagement	198,599	163,806
Total Program Expenses	<u>\$ 6,832,973</u>	<u>\$ 6,501,099</u>

**NOTE 13 RETIREMENT PLAN**

Interfaith Outreach has a 401(k) defined contribution plan for all employees. Employer contributions are at least 1% of compensation to be approved at the discretion of the board of directors. Total employer contributions expensed for the years ended March 31, 2023 and 2022 totaled \$25,731 and \$23,328, respectively.

**NOTE 14 CONCENTRATION OF CREDIT RISK**

**Cash and Cash Equivalents**

Interfaith Outreach maintains its cash balances in financial institutions located in Wayzata and Plymouth, Minnesota, which at times may exceed federally insured limits. Excess balances in Interfaith Outreach's operating account are invested overnight under a repurchase agreement secured by marketable U.S. government or agency securities. Interfaith Outreach has not experienced any losses in its bank accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Economic Dependency**

Interfaith Outreach is dependent on continuing contributions from supporting individuals, faith communities, foundations, corporations, businesses, civic and government entities and the community to meet annual operating expenses.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS**  
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**NOTE 15 RELATED PARTY TRANSACTIONS**

**Interfaith Outreach and Community Partners Endowment Fund**

Interfaith Outreach and Community Partners Endowment Fund (the Endowment Fund) is a separate nonprofit corporation governed by a board of directors to which Interfaith Outreach can appoint three members, which is a minority percentage of the total board. The Endowment Fund's purpose is to receive gifts, monitor the investments of the funds, and to make discretionary grants to Interfaith Outreach. Though not required to be consolidated, the Endowment Fund is considered a related party. During the years ended March 31, 2023 and 2022, Interfaith Outreach received grants totaling \$18,375 and \$-0-, respectively, from the Endowment Fund.

**Outreach Development Corporation**

Outreach Development Corporation (ODC) is a separate nonprofit corporation governed by a board of directors separate from Interfaith Outreach. ODC's purpose is to preserve, acquire, and develop quality multi-unit affordable housing in the area served by Interfaith Outreach. ODC is considered a related party as it shares some common board members with Interfaith Outreach. During the years ended March 31, 2023 and 2022, Interfaith Outreach granted funds totaling \$200,000 in both years to ODC.

**Board Member Contributions**

Interfaith Outreach's board members make donations to the organization throughout the year. During the years ended March 31, 2023 and 2022, Interfaith Outreach current and former board members' donations and pledges to Interfaith Outreach totaled \$171,010 and \$434,258, respectively.

