

INTERFAITH OUTREACH & COMMUNITY PARTNERS
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024



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**INTERFAITH OUTREACH & COMMUNITY PARTNERS
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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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Outreach & Community Partners as of March 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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

CliftonLarsonAllen LLP

Minneapolis, Minnesota
July 23, 2025

INTERFAITH OUTREACH & COMMUNITY PARTNERS
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,884,824	\$ 1,933,871
Grants Receivable	-	2,139
Inventory	254,315	256,408
Other Assets	97,609	151,475
Total Current Assets	2,236,748	2,343,893
INVESTMENTS		
Endowment Investments	7,127,991	6,995,594
Board-Designated Investments	1,886,940	1,726,225
Other Investments	2,413,451	2,730,150
Total Investments	11,428,382	11,451,969
PROPERTY AND EQUIPMENT, NET	5,201,758	5,386,952
FINANCING RIGHT-OF-USE ASSETS, NET	34,881	46,509
Total Assets	\$ 18,901,769	\$ 19,229,323
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 31,910	\$ 65,351
Accrued Expenses	289,512	253,867
Deferred Revenue	229	85,370
Current Lease Liability - Financing	11,592	10,757
Total Current Liabilities	333,243	415,345
FINANCING LEASE LIABILITY, NET OF CURRENT PORTION	25,836	37,427
Total Liabilities	359,079	452,772
NET ASSETS		
Undesignated	4,309,894	4,549,177
Board-Designated	1,886,940	1,726,225
Invested in Property and Equipment	5,201,758	5,386,952
Total Net Assets Without Donor Restrictions	11,398,592	11,662,354
Net Assets With Donor Restrictions	7,144,098	7,114,197
Total Net Assets	18,542,690	18,776,551
Total Liabilities and Net Assets	\$ 18,901,769	\$ 19,229,323

See accompanying Notes to Financial Statements.

INTERFAITH OUTREACH & COMMUNITY PARTNERS
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2025

	Operating - Without Donor Restrictions	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT					
Grants and Contributions	\$ 4,661,715	\$ 49,783	\$ 4,711,498	\$ 780,577	\$ 5,492,075
In-Kind Donations and Donated Services	2,321,507	-	2,321,507	-	2,321,507
Fundraising Event Contributions	514,571	-	514,571	321,730	836,301
Total Support	<u>7,497,793</u>	<u>49,783</u>	<u>7,547,576</u>	<u>1,102,307</u>	<u>8,649,883</u>
REVENUE					
Resale Select Revenues	690,038	-	690,038	-	690,038
Program Service Revenues	75,999	-	75,999	-	75,999
Miscellaneous Income	23,016	-	23,016	-	23,016
Gross Special Event Revenue	62,733	-	62,733	-	62,733
Less: Cost of Direct Benefits to Donors	(118,019)	-	(118,019)	-	(118,019)
Net Special Events Revenue	<u>(55,286)</u>	<u>-</u>	<u>(55,286)</u>	<u>-</u>	<u>(55,286)</u>
Total Revenue	733,767	-	733,767	-	733,767
Net Assets Released from Restrictions	1,202,802	-	1,202,802	(1,202,802)	-
Endowment Spending Allocation	<u>268,928</u>	<u>-</u>	<u>268,928</u>	<u>(268,928)</u>	<u>-</u>
Total Support and Revenue	9,703,290	49,783	9,753,073	(369,423)	9,383,650
EXPENSES					
Program Expenses	7,965,402	-	7,965,402	-	7,965,402
Management and General Expenses	1,410,112	-	1,410,112	-	1,410,112
Fundraising Expenses	957,171	-	957,171	-	957,171
Total Expenses	<u>10,332,685</u>	<u>-</u>	<u>10,332,685</u>	<u>-</u>	<u>10,332,685</u>
CHANGE IN OPERATING NET ASSETS	(629,395)	49,783	(579,612)	(369,423)	(949,035)
NONOPERATING ACTIVITIES					
Interest Income	30,280	-	30,280	-	30,280
Investment Income (Loss)	286,052	(482)	285,570	399,324	684,894
Transfer to (from) Board-Designated Reserves	(111,414)	111,414	-	-	-
Total Nonoperating Activities	<u>204,918</u>	<u>110,932</u>	<u>315,850</u>	<u>399,324</u>	<u>715,174</u>
CHANGE IN NET ASSETS	(424,477)	160,715	(263,762)	29,901	(233,861)
Net Assets - Beginning of Year	<u>9,936,129</u>	<u>1,726,225</u>	<u>11,662,354</u>	<u>7,114,197</u>	<u>18,776,551</u>
NET ASSETS - END OF YEAR	<u>\$ 9,511,652</u>	<u>\$ 1,886,940</u>	<u>\$ 11,398,592</u>	<u>\$ 7,144,098</u>	<u>\$ 18,542,690</u>

See accompanying Notes to Financial Statements.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2024**

	Operating - Without Donor Restrictions	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT					
Grants and Contributions	\$ 4,588,385	\$ -	\$ 4,588,385	\$ 947,760	\$ 5,536,145
In-Kind Donations and Donated Services	2,190,530	-	2,190,530	-	2,190,530
Fundraising Event Contributions	99,987	-	99,987	292,006	391,993
Total Support	<u>6,878,902</u>	<u>-</u>	<u>6,878,902</u>	<u>1,239,766</u>	<u>8,118,668</u>
REVENUE					
Resale Select Revenues	654,372	-	654,372	-	654,372
Program Service Revenues	55,391	-	55,391	-	55,391
Miscellaneous Income	39,628	-	39,628	-	39,628
Gross Special Event Revenue	33,745	-	33,745	-	33,745
Less: Cost of Direct Benefits to Donors	<u>(66,754)</u>	<u>-</u>	<u>(66,754)</u>	<u>-</u>	<u>(66,754)</u>
Net Special Events Revenue	<u>(33,009)</u>	<u>-</u>	<u>(33,009)</u>	<u>-</u>	<u>(33,009)</u>
Total Revenue	716,382	-	716,382	-	716,382
Net Assets Released from Restrictions	<u>1,762,138</u>	<u>-</u>	<u>1,762,138</u>	<u>(1,762,138)</u>	<u>-</u>
Total Support and Revenue	9,357,422	-	9,357,422	(522,372)	8,835,050
EXPENSES					
Program Expenses	7,580,959	-	7,580,959	-	7,580,959
Management and General Expenses	1,406,384	-	1,406,384	-	1,406,384
Fundraising Expenses	796,903	-	796,903	-	796,903
Total Expenses	<u>9,784,246</u>	<u>-</u>	<u>9,784,246</u>	<u>-</u>	<u>9,784,246</u>
CHANGE IN OPERATING NET ASSETS	(426,824)	-	(426,824)	(522,372)	(949,196)
NONOPERATING ACTIVITIES					
Interest Income	16,145	-	16,145	-	16,145
Investment Income	595,924	-	595,924	427,798	1,023,722
Gain on Acquisition	-	-	-	6,484,424	6,484,424
Transfer to (from) Board-Designated Reserves	368,545	(368,545)	-	-	-
Total Nonoperating Activities	<u>980,614</u>	<u>(368,545)</u>	<u>612,069</u>	<u>6,912,222</u>	<u>7,524,291</u>
CHANGE IN NET ASSETS	553,790	(368,545)	185,245	6,389,850	6,575,095
Net Assets - Beginning of Year	<u>9,382,339</u>	<u>2,094,770</u>	<u>11,477,109</u>	<u>724,347</u>	<u>12,201,456</u>
NET ASSETS - END OF YEAR	<u>\$ 9,936,129</u>	<u>\$ 1,726,225</u>	<u>\$ 11,662,354</u>	<u>\$ 7,114,197</u>	<u>\$ 18,776,551</u>

See accompanying Notes to Financial Statements.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2025**

	Program Service Expenses				Management and General Expenses	Fundraising Expenses	Cost of Direct Benefit to Donors	Total
	Meeting Basic Needs	Equipping for Ongoing Stability	Resale Select	Total Program Expenses				
Information	\$ 3,585	\$ -	\$ -	\$ 3,585	\$ -	\$ -	\$ -	\$ 3,585
Clothing	99,557	-	-	99,557	-	-	-	99,557
Food	1,729,120	-	-	1,729,120	-	-	-	1,729,120
Housing	-	624,660	-	624,660	-	-	-	624,660
Early Childhood	-	722,315	-	722,315	-	-	-	722,315
Community Connection	-	204,424	-	204,424	-	-	-	204,424
Individual and Family Support	-	191,001	-	191,001	-	-	-	191,001
Transportation	-	323,808	-	323,808	-	-	-	323,808
Employment	-	147,859	-	147,859	-	-	-	147,859
Subtotal with In-Kinds	1,832,262	2,214,067	-	4,046,329	-	-	-	4,046,329
Compensation	519,261	1,675,957	286,770	2,481,988	1,156,157	646,313	-	4,284,458
Grant to Other Organization	-	-	-	-	-	-	-	-
Occupancy	90,676	93,418	74,852	258,946	32,912	23,754	-	315,612
Office Expenses	41,968	96,493	50,111	188,572	41,869	99,785	-	330,226
Professional Services	45,428	45,261	9,015	99,704	103,938	65,370	-	269,012
Printing and Postage	483	1,145	9,219	10,847	7,334	74,605	-	92,786
Special Events Food, Entertainment, and Other Supplies	-	-	-	-	-	-	118,019	118,019
Miscellaneous Expense	6,751	15,724	1,827	24,302	39,857	11,031	-	75,190
In-Kind Donated Goods: Resale	-	-	692,858	692,858	-	-	-	692,858
In-Kind Donated Goods: Other	-	-	-	-	1,578	19,562	-	21,140
Interest	-	-	-	-	3,258	-	-	3,258
Total Expenses Before Depreciation	2,536,829	4,142,065	1,124,652	7,803,546	1,386,903	940,420	118,019	10,248,888
Depreciation and Amortization	53,481	57,114	51,261	161,856	23,209	16,751	-	201,816
Total Functional Expenses	2,590,310	4,199,179	1,175,913	7,965,402	1,410,112	957,171	118,019	10,450,704
Less: Special Events Direct Benefit Expenses Netted With Revenues	-	-	-	-	-	-	(118,019)	(118,019)
Total Expenses per Statement of Activities	<u>\$ 2,590,310</u>	<u>\$ 4,199,179</u>	<u>\$ 1,175,913</u>	<u>\$ 7,965,402</u>	<u>\$ 1,410,112</u>	<u>\$ 957,171</u>	<u>\$ -</u>	<u>\$ 10,332,685</u>

See accompanying Notes to Financial Statements.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2024**

	Program Service Expenses			Total Program Expenses	Management and General Expenses	Fundraising Expenses	Cost of Direct Benefit to Donors	Total
	Meeting Basic Needs	Equipping for Ongoing Stability	Resale Select					
Information	\$ 44,676	\$ -	\$ -	\$ 44,676	\$ -	\$ -	\$ -	\$ 44,676
Clothing	30,637	-	-	30,637	-	-	-	30,637
Food	1,604,405	-	-	1,604,405	-	-	-	1,604,405
Housing	-	718,665	-	718,665	-	-	-	718,665
Early Childhood	-	673,720	-	673,720	-	-	-	673,720
Community Connection	-	145,553	-	145,553	-	-	-	145,553
Individual and Family Support	-	199,295	-	199,295	-	-	-	199,295
Transportation	-	265,633	-	265,633	-	-	-	265,633
Employment	-	172,631	-	172,631	-	-	-	172,631
Subtotal with In-Kinds	1,679,718	2,175,497	-	3,855,215	-	-	-	3,855,215
Compensation	459,001	1,527,991	238,899	2,225,891	1,158,036	564,894	-	3,948,821
Grant to Other Organization	-	15,241	-	15,241	-	-	-	15,241
Occupancy	75,707	101,892	82,538	260,137	40,233	27,848	-	328,218
Office Expenses	39,111	72,061	63,829	175,001	31,884	90,273	-	297,158
Professional Services	122,156	47,275	9,868	179,299	94,323	34,692	-	308,314
Printing and Postage	154	2,401	6,109	8,664	12,729	46,399	-	67,792
Special Events Food, Entertainment, and Other Supplies	-	-	-	-	-	-	66,754	66,754
Miscellaneous Expense	9,464	18,394	2,647	30,505	35,796	4,415	-	70,716
In-Kind Donated Goods: Resale	-	-	669,483	669,483	-	-	-	669,483
In-Kind Donated Goods: Other	6,328	50	-	6,378	586	10,481	-	17,445
Interest	-	-	-	-	4,033	-	-	4,033
Total Expenses Before Depreciation	2,391,639	3,960,802	1,073,373	7,425,814	1,377,620	779,002	66,754	9,649,190
Depreciation and Amortization	47,737	55,693	51,715	155,145	28,764	17,901	-	201,810
Total Functional Expenses	2,439,376	4,016,495	1,125,088	7,580,959	1,406,384	796,903	66,754	9,851,000
Less: Special Events Direct Benefit Expenses Netted With Revenues	-	-	-	-	-	-	(66,754)	(66,754)
Total Expenses per Statement of Activities	\$ 2,439,376	\$ 4,016,495	\$ 1,125,088	\$ 7,580,959	\$ 1,406,384	\$ 796,903	\$ -	\$ 9,784,246

See accompanying Notes to Financial Statements.

INTERFAITH OUTREACH & COMMUNITY PARTNERS
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (233,861)	\$ 6,575,095
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	190,188	190,182
Amortization of ROU Asset	11,628	11,627
Realized and Unrealized Gain on Investments	(455,233)	(955,146)
Gain on Business Acquisition (IOCP Endowment Fund)	-	(6,161,020)
Changes in Assets and Liabilities:		
Grants Receivable	2,139	656,172
Pledges Receivable	-	30,000
Inventory	2,093	(27,446)
Other Assets	53,866	(18,176)
Accounts Payable	(33,441)	34,311
Accrued Expenses	35,645	10,062
Deferred Revenue	(85,141)	34,196
Net Cash Provided (Used) by Operating Activities	(512,117)	379,857
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(4,994)	(269,504)
Purchase of Investments	(15,154,049)	(2,373,413)
Proceeds from Sale of Investments	15,632,869	2,411,893
Net Cash Provided (Used) by Investing Activities	473,826	(231,024)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Financing Leases	(10,756)	(10,098)
Net Cash Used by Financing Activities	(10,756)	(10,098)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(49,047)	138,735
Cash and Cash Equivalents - Beginning of Year	1,933,871	1,795,136
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,884,824	\$ 1,933,871

See accompanying Notes to Financial Statements.

INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 1 NATURE OF OPERATIONS

Interfaith Outreach & Community Partners (IOCP) is a human services nonprofit with a mission to strengthen the community by meeting basic needs and equipping individuals and families for ongoing stability. IOCP centers clients in all services through an integrated approach that addresses immediate needs such as food, clothing, and information - while also supporting long-term stability through housing, individual and family support, transportation, employment, early childhood, and community connection. Our client-centered strategies help individuals and families navigate times of crisis and provide ongoing support as they work toward financial stability. IOCP has been serving the communities of Hamel, Long Lake, Medicine Lake, Medina, Minnetonka Beach, Orono, Plymouth, and Wayzata since 1979.

IOCP provides integrated services that help our community meet basic needs and support individuals and families on their path to long-term stability. In the 2025 fiscal year we helped a total of 1,643 households. This number represents unduplicated households as families can receive services in multiple areas.

Basic Needs

In fiscal year 2025, 1,468 households partnered with IOCP to meet their basic needs by accessing essential resources such as food, clothing, and information.

FOOD: The IOCP food shelf provides food, household, and hygiene essentials, offering nutritious, culturally relevant food in a welcoming, dignified environment where families are empowered to choose the items that best meet their needs. Home deliveries are offered to individuals and families who are unable to shop in-person.

CLOTHING: Resale Select is a community thrift store that sells quality, gently used or new clothing and household items donated by the public. These items are available to everyone at affordable prices. Clients can receive select items at no cost including coats, shoes, clothing, new undergarments and socks.

INFORMATION: Providing timely and accurate information and referrals is a critical component of Interfaith Outreach's support for community members in need. Through multiple access points including our Client Services Coordinators, front desk staff, website, and other channels - individuals and families can connect with trusted resources both within IOCP and throughout the broader community. Whether someone is seeking help for the first time or navigating a complex situation, access to clear guidance and appropriate referrals can reduce barriers, ease stress, and lead to faster, more effective solutions. This vital service ensures that all community members, regardless of their situation, feel seen, supported, and connected to the help they need.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 1 NATURE OF OPERATIONS (CONTINUED)

Stability

In fiscal year 2025, 946 households partnered with IOCP to work toward long-term stability. Services were provided across key areas including housing, individual and family support, transportation, employment, and early childhood.

HOUSING: IOCP is committed to promoting long-term housing stability for clients at risk of eviction, experiencing homelessness, or recovering from housing insecurity. In alignment with our strategic plan, we work to close significant housing gaps in the community through a range of client-centered services. Most individuals first connect with IOCP during a financial emergency; in these cases, we provide up to three months of rent and utility assistance paid directly to landlords and utility providers to help prevent eviction. Our Permanent Supportive Housing programs provide intensive case management to families exited shelter to support housing retention and family stability. Additionally, our Housing Navigation services support clients in developing individualized stability plans while navigating the housing market and accessing other community resources.

INDIVIDUAL & FAMILY SUPPORT: Case managers work closely with families facing challenges such as job loss, eviction, family changes, medical crises, car repairs, childcare needs, or mental health concerns—connecting them to the support and resources they need.

TRANSPORTATION: We offer transportation assistance to help individuals secure and maintain employment—a critical need in suburban areas with limited public transit. Support includes car repairs, insurance and registration payments, and vehicle purchase assistance.

EMPLOYMENT: IOCP helps adults find and retain employment by addressing barriers to work readiness, building skills, and developing individualized job search strategies. We connect motivated job seekers with employers and training partners to create pathways to living-wage employment.

EARLY CHILDHOOD: We partner with early childhood care providers, school districts, healthcare providers, volunteers, and other community stakeholders to offer programs that address educational inequities among preschoolers, school-age children, and youth in our community.

COMMUNITY CONNECTION: Our Neighborhood Program brings services directly to where people live - nine multi-unit affordable housing communities - transforming access and outcomes. The Neighborhood Program removes barriers that prevent people from accessing services such as transportation and childcare.

INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 1 NATURE OF OPERATIONS (CONTINUED)

Resale Select

Resale Select is a community thrift store that sells quality, gently used or new clothing and household items donated by the public. These items are available to everyone at affordable prices. Revenue from the store plays a vital role in supporting the organization's financial health, helping to sustain and grow our community impact.

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 IOCP 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 – Resources are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, which will be satisfied by actions of IOCP or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

IOCP considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, including brokered certificates of deposit held at cost with maturities of three months or less. At various times throughout the year, IOCP had cash balances in excess of Federal Deposit Insurance Corporation insurance limits.

Grants Receivable

Grants receivable that are expected to be collected within one year are recorded at their net realizable value. Grants 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 is received. Amortization of the discount is included in contribution revenue. Conditional grants are not included as support until such time as the conditions are substantially met.

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 IOCP or donated. Items are valued at an average cost per pound of \$1.93 and \$1.92 at March 31, 2025 and 2024, respectively.

INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory (Continued)

Pounds of food distributed to clients from the food shelf during the years ended March 31, 2025 and 2024 totaled 884,230 and 825,604, respectively. The total value of food distributed, using \$1.93 and \$1.92 per pound, was \$1,708,368 and \$1,586,715 for the years ended March 31, 2025 and 2024, respectively. In-kind food and gift card contributions totaled \$1,431,701 and \$1,324,846 for the years ended March 31, 2025 and 2024, respectively. IOCP purchased food inventory of \$306,360 and \$260,498 for the years ended March 31, 2025 and 2024, 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 \$745,138 and \$773,385 for the years ended March 31, 2025 and 2024, respectively.

Investments

IOCP 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.

Property and Equipment

IOCP 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

IOCP 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.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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 IOCP will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. IOCP 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 ROU assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, IOCP 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.

IOCP 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.

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 IOCP's program revenue disaggregated according to the timing of the transfer of goods and services:

	2025	2024
Revenue Recognized at Point in Time:		
Resale Select Revenues	\$ 690,038	\$ 654,372
Fundraising Events	62,733	33,745
Total Revenue Recognized at Point in Time	\$ 752,771	\$ 688,117
Revenue Recognized Over Time:		
Program Service Revenues	\$ 75,999	\$ 55,391
Total Revenue Recognized Over Time	\$ 75,999	\$ 55,391

INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

IOCP 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.

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 35,400 and 33,400 and were valued at approximately \$1,187,000 and \$1,062,000 for the years ended March 31, 2025 and 2024, 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.

Tax-Exempt Status

IOCP 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.

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

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.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonoperating Activities

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

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

In preparing these financial statements, IOCP has evaluated subsequent events and transactions for potential recognition or disclosure through July 23, 2025, the date the financial statements were available to be issued.

NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES

IOCP 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, IOCP has a committed line of credit in the amount of \$2,000,000, 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:

	2025	2024
Cash and Cash Equivalents	\$ 1,884,824	\$ 1,933,871
Grants Receivable	-	2,139
Investments	11,428,382	11,451,969
Total	13,313,206	13,387,979
Less Balances Restricted by Donor or Board Designation:		
Funds Designated by the Board	(1,886,940)	(1,726,225)
Funds Restricted by Donors by Time and Purpose-Programs	(1,912,617)	(1,884,717)
Funds Held in Perpetuity	(5,231,481)	(5,229,480)
Total	\$ 4,282,168	\$ 4,547,557

Other assets estimated to be available within 12 months include accounts receivable of \$6,595 and \$35,447 for the years ended March 31, 2025 and 2024, respectively.

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

According to its financial policies, IOCP 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 IOCP 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.
- 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 PROPERTY AND EQUIPMENT

Property and equipment at March 31 consists of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,564,965	\$ 1,583,094
Building	5,221,934	5,221,934
Equipment	642,875	660,422
Total Property and Equipment	<u>7,429,774</u>	<u>7,465,450</u>
Less: Accumulated Depreciation	<u>(2,228,016)</u>	<u>(2,078,498)</u>
Property and Equipment, Net	<u>\$ 5,201,758</u>	<u>\$ 5,386,952</u>

Depreciation expense was \$190,188 and \$190,182 for the years ended March 31, 2025 and 2024, respectively.

INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 5 LEASES

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

Lease Cost:	2025	2024
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 11,628	\$ 11,777
Interest on Lease Liabilities	3,258	4,033
Total Lease Cost	\$ 14,886	\$ 15,810
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	\$ 3,258	\$ 4,033
Financing Cash Flows from Finance Leases	\$ 10,757	\$ 9,982
Weighted-Average Remaining Lease Term - Finance Leases	3.0 Years	4.0 Years
Weighted-Average Discount Rate - Finance Leases	7.50%	7.50%

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

Year Ending March 31,	Amount
2026	\$ 13,650
2027	13,650
2028	13,650
2029	977
Undiscounted Cash Flows	41,927
(Less) Imputed Interest	(4,499)
Total Present Value	\$ 37,428

INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 6 FAIR VALUE MEASUREMENTS AND DISCLOSURES

IOCP 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.

The following tables present assets measured at fair value on a recurring basis at March 31, 2025 and 2024:

	Total	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)
2025				
Investments:				
Equities	\$ 6,579,679	\$ 6,579,679	\$ -	\$ -
Fixed Income	4,521,361	-	4,521,361	-
Subtotal	11,101,040	\$ 6,579,679	\$ 4,521,361	\$ -
Cash and Cash Equivalents	327,342			
Total Investments	<u>\$ 11,428,382</u>			

INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 6 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

	Total	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)
2024				
Investments:				
Equities	\$ 6,892,163	\$ 6,892,163	\$ -	\$ -
Fixed Income	3,813,285	655,696	3,157,589	-
Subtotal	10,705,448	<u>\$ 7,547,859</u>	<u>\$ 3,157,589</u>	<u>\$ -</u>
Cash and Cash Equivalents	746,521			
Total Investments	<u>\$ 11,451,969</u>			

NOTE 7 LINE OF CREDIT

IOCP has an available revolving line of credit with a bank enabling it to borrow up to \$2,000,000. 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, 2025 was 7.50%. The line of credit is secured by IOCP's investment and cash accounts. There was no outstanding balance on the line of credit at March 31, 2025.

NOTE 8 NET ASSETS

Without Donor Restrictions

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

	2025	2024
Invested in Property and Equipment	\$ 5,201,758	\$ 5,386,952
Undesignated	4,309,894	4,549,177
Board-Designated:		
Founders Fund	164,220	427,151
Philanthropic Equity Reserve	308,138	408,138
Long-Term Housing Reserve	215,282	215,282
Building Reserve	150,000	117,654
Operating Reserve	1,000,000	558,000
Board Designated Endowment	49,300	-
Total Board-Designated	<u>1,886,940</u>	<u>1,726,225</u>
Total Net Assets Without Donor Restrictions	<u>\$ 11,398,592</u>	<u>\$ 11,662,354</u>

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

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 8 NET ASSETS (CONTINUED)

With Donor Restrictions

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

	2025	2024
Subject to Expenditure for Specific Purpose:		
Programs	\$ 16,107	\$ 118,603
Endowments Available for Spending Policy	1,896,510	1,766,114
Endowments to be Held in Perpetuity:		
General Operating Support	4,824,825	4,823,824
Caring for Kids Program	322,323	322,323
Food Shelf	84,333	83,333
Total	\$ 7,144,098	\$ 7,114,197

Released from Restriction

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

	2025	2024
Purpose Restrictions Accomplished:		
Programs	\$ 1,202,802	\$ 1,762,138
Total	\$ 1,202,802	\$ 1,762,138

NOTE 9 ENDOWMENT

IOCP acquired Interfaith Outreach and Community Partners Endowment Fund (the Endowment Fund) on January 1, 2024. All funds that had been held and managed by the Endowment Fund are subject to inherent donor-imposed restrictions and these funds shall be held and managed by IOCP subject to the same donor-imposed restrictions, and the duties and obligations of the Endowment Fund with respect to such funds.

At March 31, 2025, the endowment consists of three separate donor-restricted endowments and one board-designated endowment. The main endowment and board-designated endowment were established to support general operations and programming of IOCP. Additional endowments were established by donors to support the Caring for Kids program for early childhood education and to support the food shelf.

Investment Objectives and Spending Policy

In October 2024, IOCP adopted an investment policy statement which defines the types of permissible investments to prudently manage the endowed assets over a perpetual time horizon. The spending policy allows for an annual distribution based on an initial spending percentage of 5.0% of the fair market value of the endowed assets on December 31. In proceeding years, the spendable amount is calculated by adjusting the previous year's spending allocation for inflation as measured by the Consumer Price Index with a 70% weighting, plus the fair market value at December 31 of that year multiplied by the applicable spending percentage with a 30% weighting.

INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 9 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

The board of directors of IOCP has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, IOCP classifies as net assets with donor restrictions the original value of the gifts to the perpetual endowment and the value of the subsequent gifts to the perpetual endowment. The remaining portion of donor-restricted endowment funds, if any, that is not classified as net assets with donor restrictions to be held in perpetuity is classified as net assets with donor restrictions for purpose until those amounts are appropriated for expenditure by IOCP.

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

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

The following is a summary of endowment funds subject to UPMIFA for the year ended March 31:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Investments March 31, 2023	\$ -	\$ -	\$ -
Endowment Investments Acquired	-	6,484,424	6,484,424
Contributions	-	83,372	83,372
Investment Income, Net	-	427,798	427,798
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Investments March 31, 2024	<u>\$ -</u>	<u>\$ 6,995,594</u>	<u>\$ 6,995,594</u>
Contributions	\$ 49,782	\$ 2,001	\$ 51,783
Investment Income (Loss), Net	(482)	399,324	398,842
Appropriation of Endowment Assets for Expenditure	-	(268,928)	(268,928)
Endowment Investments March 31, 2025	<u>\$ 49,300</u>	<u>\$ 7,127,991</u>	<u>\$ 7,177,291</u>

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 9 ENDOWMENT (CONTINUED)

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires IOCP to retain as a fund of perpetual duration. There were no fund deficiencies as of March 31, 2025 and 2024.

NOTE 10 IN-KIND DONATIONS

IOCP 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. In-kind donations are utilized by program or for fundraising purposes, detailed by area for the years ended March 31:

	<u>2025</u>	<u>2024</u>
Food	\$ 1,431,701	\$ 1,319,806
Resale Select - Clothing and Home Goods	745,138	773,385
Education and Youth School Supplies	67,449	80,797
Fundraising Auction Items and Other Event Items	75,339	6,656
Other Donated Goods	1,880	9,886
Total	<u>\$ 2,321,507</u>	<u>\$ 2,190,530</u>

Food donations are valued per pound, \$1.93 and \$1.92, at March 31, 2025 and 2024, 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 PROGRAM EXPENSES BY IMPACT AREA

Programs are delivered to assist clients with meeting basic needs and finding stability. Resale Select and Community Engagement support these programs. Expenses, including in-kinds and depreciation, follow as of March 31:

	<u>2025</u>	<u>2024</u>
Food	\$ 2,102,041	\$ 1,948,382
Housing	1,180,265	1,118,857
Individual and Family Support	422,116	564,953
Information	328,637	460,360
Resale Select	1,175,912	1,125,087
Transportation	612,194	372,242
Clothing	159,633	30,637
Community Connection	633,413	551,067
Early Childhood	901,300	906,389
Employment	449,891	502,986
Total Program Expenses	<u>\$ 7,965,402</u>	<u>\$ 7,580,960</u>

**INTERFAITH OUTREACH & COMMUNITY PARTNERS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 12 RETIREMENT PLAN

IOCP 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, 2025 and 2024 totaled \$32,738 and \$29,865, respectively.

NOTE 13 CONCENTRATION OF CREDIT RISK

Cash and Cash Equivalents

IOCP maintains its cash balances in financial institutions located in Wayzata and Plymouth, Minnesota, which at times may exceed federally insured limits. Excess balances in IOCP's operating account are invested overnight under a repurchase agreement secured by marketable U.S. government or agency securities. IOCP 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

IOCP 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.

NOTE 14 RELATED PARTY TRANSACTIONS

Interfaith Outreach and Community Partners Endowment Fund

Interfaith Outreach and Community Partners Endowment Fund (the Endowment Fund) was a separate nonprofit organization governed by a board of directors to which IOCP could appoint up to three members, which was a minority percentage of the total board. On January 1, 2024, the Endowment Fund was acquired by IOCP and from that date forward its activities are included in the financial reporting of IOCP. Prior to January 1, 2024, the Endowment Fund was not required to be consolidated with IOCP and it was considered a related party. During the period from April 1, 2023 through December 31, 2023, IOCP received grants totaling \$227,722 from the Endowment Fund.

Outreach Development Corporation

Outreach Development Corporation (ODC) is a separate nonprofit corporation governed by a board of directors separate from IOCP. ODC's purpose is to preserve, acquire, and develop quality multi-unit affordable housing in the area served by IOCP. ODC is considered a related party as it shares some common board members with IOCP. During the years ended March 31, 2025 and 2024, IOCP granted funds to ODC totaling \$0- and \$15,241, respectively.

Board Member Contributions

IOCP's board members make donations to the organization throughout the year. During the years ended March 31, 2025 and 2024, IOCP current and former board members' donations and pledges to IOCP totaled \$130,289 and \$174,797, respectively.



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