

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**(WITH SUMMARIZED COMPARATIVE TOTALS  
FOR THE YEAR ENDED JUNE 30, 2020)**



**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
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(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Inter-Faith Housing Alliance  
an affiliate of Family Promise  
Ambler, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Inter-Faith Housing Alliance, an affiliate of Family Promise, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors  
Inter-Faith Housing Alliance  
an affiliate of Family Promise

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inter-Faith Housing Alliance, an affiliate of Family Promise, as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Inter-Faith Housing Alliance, an affiliate of Family Promise's, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 13, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*J. Miller & Associates, LLC*

**J. MILLER & ASSOCIATES, LLC**

Philadelphia, Pennsylvania  
September 30, 2021

**INTER-FAITH HOUSING ALLIANCE**  
**AN AFFILIATE OF FAMILY PROMISE**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2020)**

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 777,539	\$ 496,769
Grants and contributions receivable	86,501	69,457
Prepaid expenses	6,841	1,250
Tenant escrow	52,922	20,962
Property and equipment, net	470,602	388,484
<b>TOTAL ASSETS</b>	<b>\$ 1,394,405</b>	<b>\$ 976,922</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 29,066	\$ 7,791
Tenant escrow	52,122	22,462
Accrued payroll	9,838	7,532
Accrued expenses	-	2,475
Unearned rent	3,550	-
Loan payable	1,755	59,741
<b>TOTAL LIABILITIES</b>	<b>96,331</b>	<b>100,001</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Operating	851,057	516,964
Building preservation fund	240,075	240,075
Program growth fund	60,032	60,032
Total net assets without donor restrictions	1,151,164	817,071
With donor restrictions	146,910	59,850
<b>TOTAL NET ASSETS</b>	<b>1,298,074</b>	<b>876,921</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,394,405</b>	<b>\$ 976,922</b>

See accompanying Notes to Financial Statements.

**INTER-FAITH HOUSING ALLIANCE**  
**AN AFFILIATE OF FAMILY PROMISE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>REVENUE AND SUPPORT</b>				
Government grants	\$ 129,488	\$ 20,000	\$ 149,488	\$ 116,251
Contributions	373,697	-	373,697	333,580
Foundation grants	255,125	212,389	467,514	254,673
Loan forgiveness	53,400	-	53,400	-
Rental income	62,703	-	62,703	59,887
Interest income	271	-	271	1,522
Donated services, food, shelter, and other	473,373	-	473,373	491,216
Fundraising events	64,000	-	64,000	34,880
Less costs of direct benefit to donors	(14,808)	-	(14,808)	-
Miscellaneous income	1,081	-	1,081	1,700
Net assets released from donor restrictions	145,329	(145,329)	-	-
Total Revenue and Support	<u>1,543,659</u>	<u>87,060</u>	<u>1,630,719</u>	<u>1,293,709</u>
<b>EXPENSES</b>				
Program	1,096,309	-	1,096,309	931,457
Management and general	57,959	-	57,959	52,480
Fundraising	55,298	-	55,298	47,516
Total Expenses	<u>1,209,566</u>	<u>-</u>	<u>1,209,566</u>	<u>1,031,453</u>
Change in Net Assets Without Donor Restrictions	334,093	87,060	421,153	262,256
Net Assets, Beginning of Year	<u>817,071</u>	<u>59,850</u>	<u>876,921</u>	<u>614,665</u>
Net Assets, End of Year	<u>\$ 1,151,164</u>	<u>\$ 146,910</u>	<u>\$ 1,298,074</u>	<u>\$ 876,921</u>

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021  
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

Description	Program Services	Management and General	Fundraising	2021 Total Expenses	2020 Total Expenses
Salaries	\$ 267,841	\$ 37,055	\$ 21,363	\$ 326,259	\$ 274,840
Payroll taxes	27,374	3,672	2,337	33,383	26,682
Employee benefits	6,715	901	573	8,189	5,374
Consultants	3,270	-	18,084	21,354	27,386
Direct program expense	187,568	-	-	187,568	48,477
Donated services, food, shelter, and other	464,480	-	-	464,480	489,520
Dues and subscriptions	3,523	-	-	3,523	2,950
Equipment rental	1,241	232	78	1,551	1,953
Fundraising expenses	-	-	7,213	7,213	-
Insurance	18,977	1,009	202	20,188	19,064
Janitorial	20,172	204	-	20,376	6,760
Office supplies and expense	22,553	4,833	4,833	32,219	36,366
Professional development	267	89	89	445	788
Professional fees	-	8,944	-	8,944	9,793
Repairs and maintenance	27,957	-	-	27,957	29,609
Security	3,457	-	-	3,457	11,965
Telephone	6,157	826	526	7,509	7,549
Trash	4,125	42	-	4,167	4,432
Utilities	15,068	152	-	15,220	17,283
Depreciation	15,564	-	-	15,564	10,662
Total	<u>\$ 1,096,309</u>	<u>\$ 57,959</u>	<u>\$ 55,298</u>	<u>\$ 1,209,566</u>	<u>\$ 1,031,453</u>

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

**(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 421,153	\$ 262,256
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,564	10,662
Loan forgiveness	(53,400)	-
Decrease (Increase) in Assets:		
Grants and contributions receivable	(17,044)	(34,731)
Prepaid expenses	(5,591)	214
Tenant escrow	(31,960)	(11,090)
Increase (Decrease) in liabilities:		
Accounts payable	21,275	3,332
Tenant escrow	29,660	12,590
Accrued payroll	2,306	7,532
Accrued expenses	(2,475)	(838)
Unearned rent	3,550	-
Net cash provided by operating activities	383,038	249,927
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(97,682)	(59,229)
Net cash used in investing activities	(97,682)	(59,229)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans payable	-	53,400
Payments on loan payable	(4,586)	(5,647)
Net cash (used in) provided by investing activities	(4,586)	47,753
<b>NET INCREASE IN CASH</b>	280,770	238,451
Cash and cash equivalents - Beginning of Year	496,769	258,318
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 777,539	\$ 496,769

See accompanying Notes to Financial Statements.

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION**

Inter-Faith Housing Alliance, an affiliate of Family Promise, (“Inter-Faith”) is a nonprofit corporation whose mission is to empower vulnerable Montgomery County families to achieve and maintain self-sufficiency through effective community-based programs that bridge homelessness and independence. Inter-Faith is funded and supported by a variety of private grants and contributions, the faith community, and government grants. Inter-Faith is in the process of changing its name to Family Promise Montco PA to reflect its Family Promise affiliation, and subsequent financial statements will reflect the new name.

Network

The Inter-Faith Hospitality Network provides shelter, food, crisis intervention, and case management for Montgomery County families with children who are experiencing homelessness. This program is provided in partnership with the faith community.

Hope Gardens

Hope Gardens is an eight-unit housing program that supports families with children in securing and maintaining permanent housing and access to benefits.

Hope Forest

Hope Forest is a two-unit housing program that supports families with children in securing and maintaining permanent housing and access to benefits, with lighter support.

Food Cupboard

The Inter-Faith Food Cupboard located in Roslyn provides food to Montgomery County families experiencing food insecurity. The Cupboard is an integral component of the comprehensive support Inter-Faith provides to advance our mission of helping vulnerable families re-gain and maintain their stability.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Recent Accounting Pronouncement Implemented**

**Contributions received**

Inter-Faith has adopted Accounting Standards Update (“ASU”) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). This ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among nonprofit corporations. The change in accounting principle was adopted on a modified prospective basis in 2021. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of July 1, 2020.

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Recent Accounting Pronouncement Implemented**

**Revenue from Contracts with Customers**

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606),” which outlined a single comprehensive model to use for accounting for revenue arising from customers and superseded nearly all existing accounting principles generally accepted in the United States of America (“GAAP”) revenue recognition guidance, including industry-specific guidance. The core principle of the standard is that revenue is recognized when the transfer of goods or services to customers occurs in an amount that reflects the consideration to which Inter-Faith expects to be entitled in exchange for those good or services. Inter-Faith adopted this standard effective July 1, 2020, and such adoption had no impact on Inter-Faith’s revenue recognition.

**Basis of Accounting**

Inter-Faith prepares its financial statements in accordance with GAAP which involves the application of the accrual basis of accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

**Financial Statement Presentation**

To ensure the observance of limitations and restrictions on the use of resources available to Inter-Faith its net assets and revenues have been reported according to the following classifications:

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions and may be used for any purpose in performing the primary objectives of Inter-Faith. These net assets may be used at the discretion of Inter-Faith’s management and the board of directors and are considered net assets without donor restrictions.

**Net Assets With Donor Restrictions** – Net assets subject to donor (or certain grantor) imposed restrictions or law. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. These donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP, requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Summarized Comparative Information**

The summarized comparative information presents amounts in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Inter-Faith's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

**Grants and Contributions Receivable**

Grants and contributions receivable are stated at the amount management expects to collect from outstanding balances. It is Inter-Faith's policy to charge off uncollectible grants and contributions receivable when management determines that the grants and contributions receivable will not be collectible. As of June 30, 2021, management has determined that no allowance for doubtful accounts is necessary.

**Cash and Cash Equivalents**

Inter-Faith considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Property and Equipment and Depreciation**

Property and equipment are recorded at cost, or if received as a gift, at fair value when acquired. Depreciation is computed on the straight-line basis over the estimated useful lives, which range from five to forty years. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Maintenance and repairs are charged to expense as incurred; major renewals and betterments with a cost in excess of \$5,000 are capitalized.

**Contributions**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a 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 statement of activities as net assets released from restrictions.

**Donated Services, Food, Shelter, and Other**

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Inter-Faith. Donated services, food, shelter, and other are recorded at their estimated fair value at the date of donation.

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Functional Allocation of Expenses**

The statement of functional expenses reports certain categories of expenses that are attributable to Inter-Faith's program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll, payroll taxes, and benefits which are allocated on the basis of time and effort as well as janitorial, trash, and utilities which are allocated based on square footage. Directly identifiable expenses, such as repairs and maintenance, professional development, and travel are charged to program and supporting services based upon invoices received. Management and general expenses include those expenses that are not directly identifiable with any other specific function and provide for the overall support and direction of Inter-Faith.

**Income Taxes**

Inter-Faith is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, there is no provision for income taxes in the accompanying financial statements. Inter-Faith follows the accounting guidance for uncertain tax positions. Inter-Faith believes that it has appropriate support for any tax position taken and as such, does not have any uncertain tax positions that are material to the financial statements.

**Impairment**

Inter-Faith reviews its investment in rental property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. For assets held and used, if management's estimate of the aggregate future cash flows to be generated by the property, undiscounted and without interest charges, by the rental property and any estimated proceeds from the eventual disposition of the real estate are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated cash flows could impact the determination of whether impairment exists. The building known as Hope Gardens has been written down to zero net book value in accordance with this policy.

**Rental income**

Rental income is recognized as revenue in month in which it relates. Rental income received in advance is recorded as deferred revenue. Any unpaid rent is from the previous month is recorded as accounts receivable.

**Reclassification**

Certain 2020 amounts have been reclassified to conform with the 2021 financial statement presentation.

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Recent Accounting Pronouncements Not Yet Adopted**

**Leases**

In February 2016, the FASB issued ASU 2016-02 "Leases (Topic 842)." The primary objective of the standard is to increase transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset. The standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Inter-Faith is currently evaluating the standard and its impact on the financial statements.

**NOTE 3 CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject Inter-Faith to concentrations of credit risk consist principally of cash, cash equivalents, and investments. Inter-Faith maintains its cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. The amount of uninsured cash as of June 30, 2021 was \$201,046. Inter-Faith's cash and cash equivalents have been placed with high credit quality financial institutions. Inter-Faith has not experienced, nor does it anticipate, any losses with respect to these accounts.

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2021:

Land and building	\$ 295,080
Building improvements	215,451
Vehicle	44,306
	<u>554,837</u>
Less: accumulated depreciation	(84,235)
Total Property and Equipment, net	<u><u>\$ 470,602</u></u>

**NOTE 5 LIQUIDITY AND AVAILABILITY**

The following represents Inter-Faith's financial assets at June 30, 2021:

Financial assets, at year-end	
Cash and cash equivalents	\$ 777,539
Grants and contributions receivable	<u>86,501</u>
Total financial assets	<u><u>\$ 864,040</u></u>

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 LIQUIDITY AND AVAILABILITY (CONTINUED)**

Inter-Faith regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. Inter-Faith typically maintains its financial assets in cash with a goal of having funds available when needed.

**NOTE 6 LINE OF CREDIT**

Inter-Faith has available an unsecured line of credit in the amount of \$50,000 which bears interest at the prime rate. There was not outstanding balance at June 30, 2021. This line of credit expires on August 15, 2029.

**NOTE 7 LOAN FORGIVENESS**

Inter-Faith was granted a \$53,400 loan under the Paycheck Protection Program ("PPP") administered by a Small Business Administration ("SBA") approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. Inter-Faith initially recorded this as a loan payable and subsequently recorded loan forgiveness when the obligation was legally released. Inter-Faith has recognized loan forgiveness of \$53,400 for the year ended June 30, 2021.

**NOTE 8 LOAN PAYABLE**

Loan in the amount of \$30,000 from the Valentine Foundation to provide unsecured funding for renovations at Hope Forest. The loan bears interest at 2% with principal and interest to be paid at \$581 per month.

\$ 1,755

**NOTE 9 PROGRAM SERVICES**

Program services expenses have been summarized in the statement of activities and statement of functional expenses as of June 30, 2021. The detail is as follows:

Network	\$ 186,687
Food pantry	582,022
Housing programs	230,613
Community support	98,834
	<u>\$ 1,098,156</u>

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 DONATED SERVICES, FOOD, SHELTER, AND OTHER**

Inter-Faith has recognized the following donated services, food, shelter, and other in-kind as of June 30, 2021:

Food and meals	\$ 313,523
Clothing and household items	50,057
Shelter space	60,900
Other	6,640
Food cupboard space	33,360
	<u>464,480</u>
Prepaid food and meals	4,155
Investments	4,738
	<u><u>\$ 473,373</u></u>

**NOTE 11 NET ASSETS**

Net assets with donor restrictions as of June 30, 2021 consist of the following:

Specific Purpose:	
Family support	\$ 4,441
Building renovations	141,871
Rental assistance	598
	<u>\$ 146,910</u>

Net assets released from donor restrictions were as follows for the year ended June 30, 2021:

Family support	\$ 22,002
Building maintenance	8,068
Listen 4 good	1,139
Rental assistance	60,402
Food	2,070
Building renovations	51,648
	<u>\$ 145,329</u>

**NOTE 12 BOARD DESIGNATED FUNDS**

In June 2020, the Board approved the establishment of two Board designated funds. The Purpose is to segregate \$240,075 for a building preservation fund and \$60,032 for a program growth fund. Annually Inter-Faith's board will determine the amount of unrestricted funds to designate to each fund.

**INTER-FAITH HOUSING ALLIANCE  
AN AFFILIATE OF FAMILY PROMISE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 13            RETIREMENT PLAN**

Inter-Faith has a SIMPLE IRA for the benefit of its eligible employees. For the year ended June 30, 2021 Inter-Faith contributed \$5,253 to the retirement plan which is included in employee benefits on the accompanying statement of functional expenses.

**NOTE 14            SUBSEQUENT EVENTS**

Inter-Faith has evaluated subsequent events through September 30, 2021 the date which the financial statements were available to be issued.

Inter-Faith has an agreement of sale dated June 1, 2021, to purchase a duplex for \$265,000 for the purpose of providing additional below-market-rent housing for its families. This purchase will be financed in part by Montgomery County, with the balance to be paid out of operations. The purchase is expected to be finalized on or about October 1, 2021.