

INTERFAITH ACTION OF GREATER SAINT PAUL

**CONSOLIDATED
FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2018**

INTERFAITH ACTION OF GREATER SAINT PAUL

**CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY CONSOLIDATING INFORMATION**

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Interfaith Action of Greater Saint Paul
Saint Paul, Minnesota

We have audited the accompanying consolidated financial statements of Interfaith Action of Greater Saint Paul and its supporting Foundation (the Organization), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

(Continued)

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

Opinion

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

Report on Summarized Comparative Information

We have previously audited the consolidated financial statements of Interfaith Action of Greater Saint Paul and its supporting Foundation as of June 30, 2017, and we expressed an unmodified audit opinion on those financial statements in our report dated December 6, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown on pages 25 through 27 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

May 10, 2019

*Mahoney Ulbrich
Christiansen Russ P.A.*

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2018
(With Comparative Totals for 2017)

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 80,602	\$ 93,407
Accounts receivable	8,954	5,066
Contracts receivable - government	190,997	170,108
Prepaid expenses	7,153	1,715
Pledges receivable - current portion	197,215	213,375
Total current assets	484,921	483,671
Other assets:		
Pledges receivable - less current portion	28,625	22,366
Investments	1,499,876	1,665,512
Property and equipment, net	605,435	646,743
Total assets	\$ 2,618,857	\$ 2,818,292
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 143,830	\$ 126,330
Accrued payroll and related	122,885	112,797
Refundable advance	14,059	-
Annuity payable	40	34
Total current liabilities	280,814	239,161
Long-term liability:		
Annuity payable	15,009	15,051
Total liabilities	295,823	254,212
Net assets:		
Unrestricted	513,839	(45,129)
Temporarily restricted	1,125,091	1,925,105
Permanently restricted	684,104	684,104
Total net assets	2,323,034	2,564,080
Total liabilities and net assets	\$ 2,618,857	\$ 2,818,292

See accompanying notes to the consolidated financial statements.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	2018			Total	2017
	Unrestricted	Temporarily restricted	Permanently restricted		
Support and revenue:					
Support:					
Congregations	\$ 38,562	\$ 41,968	\$ -	\$ 80,530	\$ 83,556
Religious organizations	984	10,310	-	11,294	7,925
Individuals	150,573	152,384	-	302,957	211,469
Foundations/Corporations	35,900	583,478	-	619,378	541,937
United Way	2,040	66,500	-	68,540	246,640
Contributed materials and services	516,519	-	-	516,519	554,533
Sponsorships	-	-	-	-	15,500
Event income, net of direct donor benefits of \$2,325 in 2018 and \$4,464 in 2017	7,496	-	-	7,496	5,874
Government contracts	698,082	-	-	698,082	584,576
Investment income	-	32,786	-	32,786	108,606
Fees and rental	6,200	-	-	6,200	9,700
Miscellaneous income	25,060	-	-	25,060	3,621
Interest on loan from Foundation	(17,615)	17,615	-	-	-
Net assets released from restrictions	1,705,055	(1,705,055)	-	-	-
Total support and revenues	<u>3,168,856</u>	<u>(800,014)</u>	<u>-</u>	<u>2,368,842</u>	<u>2,373,937</u>
Expenses:					
Programs:					
Project Home	677,949	-	-	677,949	699,267
Department of Indian Work	685,773	-	-	685,773	622,775
Project Spirit	170,195	-	-	170,195	254,042
Infrastructure of Opportunity	183,186	-	-	183,186	98,815
Other programs	234,339	-	-	234,339	244,677
Total programs expense	<u>1,951,442</u>	<u>-</u>	<u>-</u>	<u>1,951,442</u>	<u>1,919,576</u>
Supporting services:					
General and administrative	377,228	-	-	377,228	402,573
Fundraising	281,218	-	-	281,218	274,958
Total supporting services	<u>658,446</u>	<u>-</u>	<u>-</u>	<u>658,446</u>	<u>677,531</u>
Total expenses	<u>2,609,888</u>	<u>-</u>	<u>-</u>	<u>2,609,888</u>	<u>2,597,107</u>
Change in net assets	558,968	(800,014)	-	(241,046)	(223,170)
Net assets, beginning of year	<u>(45,129)</u>	<u>1,925,105</u>	<u>684,104</u>	<u>2,564,080</u>	<u>2,787,250</u>
Net assets, end of year	<u>\$ 513,839</u>	<u>\$ 1,125,091</u>	<u>\$ 684,104</u>	<u>\$ 2,323,034</u>	<u>\$ 2,564,080</u>

See accompanying notes to the consolidated financial statements.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	2018			Total	2017
	Program	General and Administrative	Fundraising		
Salaries and wages	\$ 640,965	\$ 187,690	\$ 178,730	\$ 1,007,385	\$ 1,031,082
Payroll taxes	47,275	14,658	12,010	73,943	74,462
Employee benefits	92,233	40,019	24,789	157,041	156,972
	<u>780,473</u>	<u>242,367</u>	<u>215,529</u>	<u>1,238,369</u>	<u>1,262,516</u>
Site rental fees	373,680	-	-	373,680	408,914
Supplies and services	247,854	1,659	4,263	253,776	255,531
Consulting/independent contractors	158,044	32,320	11,736	202,100	179,761
Partner organizations	105,225	-	-	105,225	95,614
Computer/telephone/internet	45,180	18,299	8,493	71,972	66,521
Client transportation	63,246	-	-	63,246	62,408
Building/grounds	44,816	7,865	9,086	61,767	57,638
Depreciation	32,898	4,890	6,669	44,457	49,015
Events and meetings	18,495	2,796	17,051	38,342	35,024
Bad debt	-	32,215	-	32,215	11,660
Public relations/newsletter	15,254	2,909	2,939	21,102	10,814
Other	14,395	1,192	126	15,713	10,994
Equipment	9,879	2,632	2,046	14,557	15,382
Legal costs	-	14,342	-	14,342	8,786
Travel/transportation	12,999	-	-	12,999	9,671
Payroll and bank fees	674	9,602	103	10,379	9,938
Laundry services	9,278	-	-	9,278	9,666
Mileage/parking	5,831	320	146	6,297	5,030
Printing/copying	4,692	654	896	6,242	10,526
Postage/shipping	3,890	711	892	5,493	8,860
Professional development	2,314	61	288	2,663	2,897
Office supplies	1,491	376	436	2,303	6,297
Membership/subscriptions	834	588	519	1,941	2,396
Interest expense	-	1,430	-	1,430	1,248
	<u>1,951,442</u>	<u>377,228</u>	<u>281,218</u>	<u>2,609,888</u>	<u>2,597,107</u>
Direct donor benefits net with event income	-	-	-	2,325	4,464
	<u>1,951,442</u>	<u>377,228</u>	<u>281,218</u>	<u>2,612,213</u>	<u>2,601,571</u>
*Allocation of supportive services					
Management and general allocation	377,228	(377,228)	-	-	-
Fundraising allocation	281,218	-	(281,218)	-	-
Program costs after allocation of supportive services	<u>\$ 2,609,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,612,213</u>	<u>\$ 2,601,571</u>

See Functional Expenses by Program on page 6.

See accompanying notes to the consolidated financial statements.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM EXPENSES

For the Year Ended June 30, 2018

	Project Home	Department of Indian Work	Project Spirit	Farm + Faith	Interfaith Youth Connection	Systemic Work: Opportunity Saint Paul	Fiscal Sponsorship		Other Mission Advancement	Total
							Social Cohesion	SPIN		
Salaries and wages	\$ 153,964	\$ 254,716	\$ 83,580	\$ 21,895	\$ 1,946	\$ 97,755	\$ -	\$ 1,334	\$ 25,775	\$ 640,965
Payroll taxes	11,373	19,045	6,121	1,521	134	7,095	-	70	1,916	47,275
Employee benefits	24,286	32,397	10,033	6,495	294	15,446	-	59	3,223	92,233
	189,623	306,158	99,734	29,911	2,374	120,296	-	1,463	30,914	780,473
Site rental fees	340,296	7,920	22,176	-	-	1,600	-	1,688	-	373,680
Supplies and services	30,905	171,674	7,399	53	14	4,693	12,223	1,021	19,872	247,854
Consulting/independent contractors	7,117	24,491	17,762	235	1,539	15,478	75,702	13,393	2,327	158,044
Partner organizations	-	89,790	-	-	-	11,000	-	-	4,435	105,225
Computer/telephone/internet	11,845	18,423	6,860	1,717	349	4,964	-	139	883	45,180
Client transportation	56,537	5,595	496	-	-	-	-	618	-	63,246
Building/grounds	11,340	18,992	6,119	1,807	351	5,290	-	-	917	44,816
Depreciation	8,002	14,226	4,446	1,334	222	4,001	-	-	667	32,898
Events and meetings	313	4,658	635	-	-	8,410	2,504	1,182	793	18,495
Public relations/newsletter	3,326	7,120	1,777	533	89	1,599	-	380	430	15,254
Other	4	6	2	1	-	509	7,282	4,714	1,877	14,395
Equipment	2,467	4,190	1,367	399	73	1,184	-	-	199	9,879
Travel/transportation	489	3,859	-	-	-	2,394	5,399	858	-	12,999
Payroll and bank fees	249	132	1	-	24	6	-	212	50	674
Laundry services	9,278	-	-	-	-	-	-	-	-	9,278
Mileage/parking	2,677	2,981	117	33	-	23	-	-	-	5,831
Printing/copying	1,071	2,148	544	165	27	505	-	148	84	4,692
Postage/shipping	960	1,508	582	156	42	417	-	139	86	3,890
Professional development	720	1,129	20	6	1	435	-	-	3	2,314
Office supplies	346	533	158	42	7	172	-	-	233	1,491
Membership/subscriptions	384	240	-	-	-	210	-	-	-	834
Total program costs	677,949	685,773	170,195	36,392	5,112	183,186	103,110	25,955	63,770	1,951,442
*Allocation of supportive services										
Management and general allocation	131,052	132,566	32,900	7,035	988	35,411	19,932	5,017	12,327	377,228
Fundraising allocation	97,698	98,826	24,526	5,244	737	26,399	14,859	3,740	9,189	281,218
Program costs after allocation of supportive services	\$ 906,699	\$ 917,165	\$ 227,621	\$ 48,671	\$ 6,837	\$ 244,996	\$ 137,901	\$ 34,712	\$ 85,286	\$ 2,609,888

* Allocation of supportive services to programs is presented for additional analysis only and is not required as part of the financial statements.

See accompanying notes to the consolidated financial statements.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

Increase (Decrease) in Cash and Cash Equivalents

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ (241,046)	\$ (223,170)
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation	44,457	49,015
Realized/unrealized (gain) loss on investments	12,465	(60,811)
Changes in operating assets and liabilities:		
Accounts and contracts receivable	(24,777)	(63,782)
Prepaid expenses	(5,438)	9,980
Pledges receivable	9,901	(59,401)
Accounts payable	17,500	68,333
Accrued payroll and related	10,088	36,271
Refundable advance	14,059	-
Fiscal agency payable	-	(16,542)
Annuity payable	(36)	(34)
Net cash from operating activities	(162,827)	(260,141)
Cash flows from investing activities:		
Purchase of property and equipment	(3,149)	(3,809)
Sale of investments	365,338	348,863
Purchase of investments	(212,167)	(74,502)
Net cash from investing activities	150,022	270,552
Net increase (decrease) in cash and cash equivalents	(12,805)	10,411
Cash and cash equivalents, beginning of year	93,407	82,996
Cash and cash equivalents, end of year	\$ 80,602	\$ 93,407

See accompanying notes to the consolidated financial statements.

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

1. ORGANIZATION

Established in 1906, Interfaith Action of Greater Saint Paul ("Interfaith Action") (formerly Saint Paul Area Council of Churches), is a nonprofit that serves approximately 700 east metro faith organizations, and serves approximately 4,000 people annually. In April 2015, the Board of Directors adopted a new mission, a new vision, and a new name. Interfaith Action has an expanded interfaith focus: seek to bring people of faith together to relieve the effects of poverty and address its root causes through transformative volunteer work.

Interfaith Action believes that the most effective work in community involves two approaches: on-the-ground work making a difference in individuals' lives, and a systemic understanding and approach to the broader issues. The on-the-ground work ensures that the work is realistic and rooted in real peoples' real life experiences. The systemic work helps the program build approaches to make broad change.

On-the-Ground Work. Interfaith Action's on-the-ground work focuses in several core program areas:

- **Project Home.** Project Home provides more than 11,000 shelter-bed-nights per year in twenty-four congregations (twenty-two churches, one Catholic school, and one synagogue). This shelter is for families with children who are experiencing homelessness. Each house of worship transforms itself into a shelter for one month at a time. On the first of each month, Project Home arrives at the month's sites, bringing beds, linens, food, diapers, etc. Project Home's staff along with 4,000 volunteers provide a warm, welcoming home to our guests, who stay with us an average of 55 days as they work to secure a stable housing arrangement that is right for them.
- **Department of Indian Work (DIW).** DIW provides a wide array of welcoming services to the low-income Native American community in the east metro. We provide emergency services including a culturally specific food shelf and a clothing closet. We provide a kindergarten through 5th grade (K-5) culturally specific after-school program and a summer full-time program at Saint Paul's American Indian Magnet School (AIMS). And we provide a hard-hitting diabetes prevention and management program which includes popular cooking classes taught by a Native dietician using indigenous foods.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

1. ORGANIZATION (Continued)

- **Project Spirit.** Project Spirit is a high-dosage, culturally specific, African-centered after-school experience for grades K-5 in four high-poverty Saint Paul Public Schools. All four schools have very high poverty populations, and almost all the students and faculty are African-American. The program spans three hours per day, five days per week, with parent contact every day. It has a curriculum which is academically challenging and culturally rich. The Project Spirit program ended as of June 30, 2018.
- **Farm + Faith.** Our Farm + Faith program works in six local churches to support recent immigrants and refugees in their efforts to learn how to establish an economic foothold in agricultural work in our community. Many of these individuals farmed in their home countries, but find a steep learning curve to enter farming here because of language barriers and differences in soil, crops, growing seasons, and more. In partnership with Hmong American Partnership and local churches, we support the individuals in a year of gardening on the grounds of the churches. The Farm + Faith program was closed as of September 30, 2018.
- **Interfaith Youth Connection (IYC).** This program engages high school youth from many faiths in a year-long leadership program that culminates in a “day of service” on a college campus on Presidents’ Day each year. The youth learn about each other’s religions and engage in service work together.

Interfaith Action’s on-the-ground work also includes a free walk-in legal clinic, where community members can speak to an attorney and receive legal advice and resources. This Clinic is staffed by our local civil legal aid provider (Southern Minnesota Regional Legal Services [SMRLS]), and by a volunteer group of Jewish lawyers through the Cardozo Society. On Jewish holidays it is staffed by non-Jewish volunteer lawyers who cooperate with and support the project.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

1. ORGANIZATION (Continued)

Systemic Work: Opportunity Saint Paul. Interfaith Action’s systemic work focuses on the building of an infrastructure of opportunity in the east metro. This work derives from concepts explained by MDC, a national nonprofit based in North Carolina, in its book, State of the South. Our primary systemic program is called Opportunity Saint Paul. In Opportunity Saint Paul, Interfaith Action seeks to strengthen Saint Paul’s infrastructure of opportunity. Interfaith Action matches volunteers from the faith community with carefully vetted, highly effective nonprofit organizations, and involves the volunteers and the nonprofit leaders in a deeply motivating learning community. This “corps” of interfaith, multi-racial, inter-generational volunteers will multiply the horsepower of the selected nonprofits, accomplishing three important goals: (1) providing effective service to build our community’s infrastructure of opportunity; (2) educating and activating faith community volunteers; and (3) strengthening faith communities.

The activities of Interfaith Action are supported primarily by contributions and government contracts. The activities of the Foundation are supported by contributions and investment income.

Interfaith Action of Greater Saint Paul Foundation.

Interfaith Action is the only beneficiary of the Interfaith Action of Greater Saint Paul Foundation (Foundation). The purpose of the Foundation is to support the work of Interfaith Action by building up endowment funds by raising gifts and bequests with the income only to be available for the general purposes of Interfaith Action. The Foundation makes distributions of assets to Interfaith Action in accordance with the Foundation's distribution policy. Distributions from the Foundation to Interfaith Action were \$859,611 and \$118,420 for the years ended June 30, 2018 and 2017.

Interfaith Action periodically invests certain of its liquid assets through the Foundation. At June 30, 2018 and 2017, the Foundation held no investments on behalf of Interfaith Action.

In the two years leading up to mid-2015, Interfaith Action and the Foundation participated jointly in intensive strategic planning to determine how they could best work together to support interfaith Action in becoming a leading, hard-hitting force in the east metro for relieving the effects and root causes of poverty, and for building economic mobility for our community. The Foundation determined in May 2015 that it would make a substantial financial investment in Interfaith Action to facilitate the transition of the organization in accordance with the new vision and mission. The goal of this financial investment is to substantially increase the capacity of Interfaith Action.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

1. ORGANIZATION (Continued)

This financial investment took the form of a \$350,000 line of credit arrangement. The line of credit note payable requires interest-only payments at Prime, as published in the Wall Street Journal, plus one-half percent. The maturity date is June 30, 2025. In 2018, the Foundation invested an additional \$887,000 in Interfaith Action. The investment consisted of a second line of credit note payable of \$125,000 and a special grant of \$762,000. The second line of credit requires interest-only payments at 3%. The maturity date is June 30, 2027. The total outstanding balance at June 30, 2018 and 2017 was \$475,000 and \$350,000, respectively. Interest on the line of credit was \$17,615 in 2018 and \$9,830 in 2017. The line of credit is secured by a mortgage on the land, building and other assets of Interfaith Action. The line of credit balances and grant have been eliminated for purposes of consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The consolidated financial statements include Interfaith Action of Greater Saint Paul Foundation because Interfaith appoints the Foundation's board members and has an economic interest in the Foundation. All significant inter-entity accounts and transactions have been eliminated.

Financial Statement Presentation - Interfaith Action is required to report information regarding its financial position and activities in the following net asset categories:

- Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Unrestricted net assets are available for programs and supporting services at the discretion of management and the board of directors.
- Temporarily restricted net assets arise from contributions restricted by donors for specific purposes or time periods. When a temporarily restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets.
- Permanently restricted net assets arise from contributions with restrictions from donors that do not expire and that allow, in certain cases, only the income earned thereon to be expended.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information - The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class or functionalized expense. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with Interfaith Action's consolidated financial statements for the year ended **June 30, 2017**, from which the summarized information was derived.

Cash and Cash Equivalents - Interfaith Action considers all cash and highly liquid financial instruments with original maturities of three months or less, including money market mutual funds, to be cash and cash equivalents.

Receivables - Accounts and contracts receivable are stated at the amount management expects to collect. Management reviews receivable balances at year end and establishes an allowance based on expected collections. Management believes that all amounts will be received when due, therefore no allowance for uncollectible amounts has been provided. Receivables are written off when, in management's estimation, it is probable that the receivable is worthless.

Pledges Receivable - When the donor makes a promise to give that is, in substance, unconditional, the contribution is recognized. Pledges receivable are recorded at the promised amount because the difference between the promised amount and the net present value of the promise is not significant. Management believes that all amounts will be received when due, therefore no allowance for uncollectible amounts has been provided. Receivables are written off when, in management's estimation, it is probable that the receivable is worthless.

Investments - Investments in marketable securities are reported at fair value. Realized and unrealized gains and losses are reported as changes in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Property and Equipment - Property and equipment are carried at cost if purchased, and at fair value at the date of gift if donated. Additions with a cost of less than \$2,000 are expensed. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Maintenance and repairs are expensed as incurred. Major renewals or betterments that extend the lives of property and equipment are capitalized. Management evaluates these assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiscal Sponsorship - Interfaith Action periodically acts as a fiscal sponsor for projects that meet its mission. It accepts assets from donors and agrees to use those amounts for a specific purpose. Such agency amounts collected are recorded as temporarily restricted net assets until released to the project.

Contribution Revenue Recognition - Contributions are recognized when the donor makes an unconditional promise to give to Interfaith Action. Conditional contributions, such as bequests, are recorded when the conditions have been met and the conditional promise becomes unconditional. Contributions are considered to be unrestricted unless specifically restricted by the donor.

Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a specific time restriction ends or a purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Materials and Services - Donated materials are recorded as contributions at their estimated fair market value in the period received. Donated services are recorded as contributions at their estimated fair value only if the services create or enhance a nonfinancial asset or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Expenses - The costs of providing programs and the supporting services have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Whenever possible, expenses are recorded in functional categories when incurred. For certain expenses, allocations between categories are made. Such allocations are based on management's best estimates.

Government Grants and Contracts - Government grants and contract funds are generally considered exchange transactions and are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are incurred. Funds received but not yet earned are recorded as deferred revenue. Expenditures under government grants and contracts are subject to review by the granting authority. If, as a result of such a review, expenditures are determined to be unallowable, the disallowance will be recorded at the time the assessment for refund is made.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax - Interfaith Action and the Foundation are classified as tax-exempt organizations under Minnesota Statute 290.05 and Section 501 (c)(3) of the Internal Revenue Code, are exempt from private foundation status under Section 509(a)(1) of the Internal Revenue Code, and are subject to income taxes only on net unrelated business income. The organizations did not have any unrelated business income for the years ended June 30, 2018 and 2017.

Management believes Interfaith Action and the Foundation have appropriate support for any tax positions taken, and accordingly, do not have any uncertain tax positions that are material to the financial statements.

Reclassifications - Reclassifications were made to the 2017 financial statements to be consistent with the current year financial statements. These reclassifications did not affect net assets or the change in net assets.

3. PLEDGES RECEIVABLE AND CONDITIONAL PLEDGE

At June 30, 2018, Interfaith Action has a conditional promise to give in the form of a \$300,000 grant from a private foundation. To receive the grant, Interfaith Action must submit financial reports that show it has made progress toward achieving the grant goals for the Social Cohesion sponsorship program. Upon approval by the foundation, the grant will become unconditional. Conditional contributions are not recognized in the financial statements until the conditions have been met.

Pledges receivable are estimated to be collected as follows at June 30, 2018:

Within one year	\$ 197,215
In one to five years	<u>28,625</u>
	<u>\$ 225,840</u>

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

4. INVESTMENTS

Investments consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Common stock	\$ 1,016,692	\$ 1,145,177
Corporate bonds	445,446	485,313
Collateralized mortgage obligations	29,426	35,022
Real estate investment trust (REIT)	8,312	-
Total investments	<u>\$ 1,499,876</u>	<u>\$ 1,665,512</u>

Investment income is summarized as follows:

	<u>2018</u>	<u>2017</u>
Interest and dividend income	\$ 45,251	\$ 47,795
Net realized and unrealized gains (losses)	<u>(12,465)</u>	<u>60,811</u>
Total investment income	<u>\$ 32,786</u>	<u>\$ 108,606</u>

Investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect investment balances and the amounts reported on the statement of financial position.

5. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

5. FAIR VALUE MEASUREMENTS (Continued)

- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair values of cash equivalents and investments measured on a recurring basis at June 30, 2018, are as follows:

	Fair value	Fair Value Measurement Using:		
		Level 1 inputs	Level 2 inputs	Level 3 inputs
Money market				
mutual funds	\$ 19,920	\$ 19,920	\$ -	\$ -
Investments:				
Common stock	1,016,692	1,016,692	-	-
Corporate bonds	445,446	-	445,446	-
Collateralized				
mortgage obligations	29,426	-	29,426	-
REIT	8,312	8,312	-	-
	<u>1,499,876</u>	<u>1,025,004</u>	<u>474,872</u>	<u>-</u>
	<u>\$ 1,519,796</u>	<u>\$ 1,044,924</u>	<u>\$ 474,872</u>	<u>\$ -</u>

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

5. FAIR VALUE MEASUREMENTS (Continued)

Fair values of cash equivalents and investments measured on a recurring basis at June 30, 2017, are as follows:

	Fair value	Fair Value Measurement Using:		
		Level 1 inputs	Level 2 inputs	Level 3 inputs
Money market mutual funds	\$ 53,117	\$ 53,117	\$ -	\$ -
Investments:				
Common stock	1,145,177	1,145,177	-	-
Corporate bonds	485,313	-	485,313	-
Collateralized mortgage obligations	35,022	-	35,022	-
	<u>1,665,512</u>	<u>1,145,177</u>	<u>520,335</u>	<u>-</u>
	<u>\$ 1,718,629</u>	<u>\$ 1,198,294</u>	<u>\$ 520,335</u>	<u>\$ -</u>

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used.

Mutual funds, common stock and REIT: (Level 1) Valued at quoted prices in active markets.

Corporate bonds and collateralized mortgage obligations: (Level 2) Value determined by pricing models based on quoted market prices for similar assets in active markets.

Although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

There have been no changes in valuation technique and related inputs.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2018</u>	<u>2017</u>	<u>Estimated useful life in years</u>
Land	\$ 15,000	\$ 15,000	-
Building and building improvements	1,335,028	1,335,028	5 - 40
Equipment	<u>87,863</u>	<u>84,714</u>	3 - 10
	1,437,891	1,434,742	
Less accumulated depreciation	<u>(832,456)</u>	<u>(787,999)</u>	
	<u><u>\$ 605,435</u></u>	<u><u>\$ 646,743</u></u>	

Depreciation expense was \$44,457 in 2018 and \$49,015 in 2017.

7. ANNUITY PAYABLE

The Foundation has entered into an annuity agreement with an individual donor. The agreement requires the Foundation to make monthly payments of \$107 as long as either one of the donor's two children is alive. As part of the agreement, the Foundation received a contribution to be used for the purposes of Interfaith Action.

The liability for the annuity payable represents the present value of estimated future payments. The liability is calculated as if it were a term loan with an interest rate of 8.2% with an annual loan payment of \$1,284 until the year 2062. The liability will be extinguished upon the second death. Five year maturities for the remaining annuity are approximately \$40 per year with the balance due beyond the five years.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets primarily result from restrictions on contributions received from donors. The restrictions expire over time or when the stated purpose has been met. Temporarily restricted net assets at June 30, are restricted for the following purposes:

	2018	2017
Department of Indian Work	\$ 82,622	\$ 51,359
MLK Breakfast	816	-
Opportunity Saint Paul	184,475	202,906
Project Home	135,208	59,013
Project Spirit	-	55,102
Farm + Faith	2,311	12,403
Pledges restricted for future periods	70,075	108,741
Fiscal sponsorships:		
Social Cohesion	89,077	42,187
Saint Paul Interfaith Network (SPIN)	12,805	17,055
Foundation endowment earnings (See Note 9)	547,702	1,376,339
 Total temporarily restricted assets	 \$ 1,125,091	 \$ 1,925,105

9. ENDOWMENT

The Foundation has an endowment fund funded by donations from several individuals which are restricted in perpetuity to continue the wishes of the donors. Income generated by these assets is to be used for programs and operations of Interfaith Action and to maintain the endowment fund's purchasing power after inflation. Undistributed income is classified as temporarily restricted net assets.

Interpretation of Relevant Law - The Board of Directors has interpreted the State of Minnesota's version of the 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 funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

9. ENDOWMENT (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation 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 Foundation 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 the Foundation
- (7) The investment policies of the Foundation

Changes in endowment net assets follow:

	Year Ended June 30, 2018		
	Temporarily restricted	Permanently restricted	Total
Beginning of year	\$ 1,376,339	\$ 684,104	\$ 2,060,443
Investment return:			
Interest and dividends	62,866	-	62,866
Net depreciation	(12,465)	-	(12,465)
Total investment return	50,401	-	50,401
Appropriations for expenditure	(879,038)	-	(879,038)
End of year	\$ 547,702	\$ 684,104	\$ 1,231,806

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

9. **ENDOWMENT (Continued)**

	Year Ended June 30, 2017		
	Temporarily restricted	Permanently restricted	Total
Beginning of year	\$ 1,395,888	\$ 684,104	\$ 2,079,992
Investment return:			
Interest and dividends	57,623	-	57,623
Net appreciation	60,811	-	60,811
Total investment return	118,434	-	118,434
Appropriations for expenditure	(137,983)	-	(137,983)
End of year	\$ 1,376,339	\$ 684,104	\$ 2,060,443

Return Objectives and Risk Parameters - The Foundation has adopted investment and spending policies for endowment assets, approved by the Board of Directors, that attempt to provide a predictable stream of funding to support programs of Interfaith Action while also maintaining the purchasing power of endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities, that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to fund programs, while growing the funds, if possible.

Beginning in 2015, endowment assets have also been invested in line of credit arrangements with Interfaith Action earning interest at Prime plus one-half percent and 3%. Advances on the lines of credit totaled \$475,000 at June 30, 2018 and \$350,000 at June 30, 2017, as described in Note 1. Interest earned was \$17,615 in 2018 and \$9,830 in 2017.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

9. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending - The Foundation uses the endowment earnings to help fund programs. The Foundation's current distribution policy is to distribute annually five percent of the average prior sixteen quarterly balances of endowment fund investments. In addition, the Foundation policy allows for periodic annual additional discretionary grants, limited to a maximum two percent of the portfolio value. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the endowment funds, all of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. During 2018, the Board approved a special one-time discretionary grant of \$762,000, which exceeds the 2% discretionary grant allowed by the spending policy.

10. CONTRIBUTED MATERIALS AND SERVICES

During the years ended June 30, 2018 and 2017, Interfaith Action recognized the following contributed materials and services:

	2018	2017
Program:		
Project Home shelter space	\$ 346,221	\$ 357,444
Food shelf	110,360	113,069
Project Spirit:		
Classroom space	22,176	44,280
Food and snacks	3,869	7,847
Supplies for School Tools Drive	19,872	18,399
Youth services program supplies and site rental	7,920	10,440
Farm Faith - program supplies	-	495
Department of Indian Works - food	2,906	325
Opportunity St. Paul site rental	1,000	-
General and administrative:		
Donated computers	296	2,234
Other	1,899	-
	\$ 516,519	\$ 554,533

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

10. CONTRIBUTED MATERIALS AND SERVICES (Continued)

Project Home, a program of Interfaith Action, partners with area faith communities to provide two 20 bed overnight family emergency shelters each month. Area faith communities donate their space and volunteer power to the program. The estimated value of the donated shelter space was \$33 per person for the year ended June 30, 2018 and \$30.50 per person for the year ended June 30, 2017.

Interfaith Action also operates a food shelf that received donated food from various sources. The estimated value of these donations was \$1.73 and \$1.67 per pound for the years ended June 30, 2018 and 2017.

Interfaith Action has agreements with various organizations regarding the use of classroom space for Project Spirit. Additionally, Project Spirit received donated food/snacks support from Saint Paul Public Schools.

In addition, Interfaith Action received approximately 27,000 hours of direct volunteer support at the shelter sites which have not been monetized for their in-kind value and recorded in the consolidated financial statements.

11. FISCAL AGENCY AND SPONSORED PROJECTS

Sponsored projects are undertaken with entities that do not have a 501(c)(3) status. The projects are treated as programs of Interfaith Action. Contributions are paid directly to Interfaith Action and reported as support. The sponsored project then submits costs to Interfaith Action for approval and payment.

Interfaith Action has entered into fiscal sponsorship agreements with Saint Paul Interfaith Network (SPIN) and Social Cohesion. The impact on Interfaith Action's changes in net assets for 2018 is \$(4,250) for SPIN and \$46,890 for Social Cohesion.

During 2017, Interfaith Action's previous fiscal agency relationship was converted to a fiscally sponsored project.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

12. RETIREMENT PLAN

Interfaith Action participates in a multi-employer defined contribution plan of the Evangelical Lutheran Church in America (ELCA). Effective June 29, 2015, a required contribution of 5% is made for all employees working over 500 hours per calendar year who are still employed as of the last day of the plan year. Interfaith Action will also match voluntary employee contributions to the plan up to 100% of the employees' first 2% of defined compensation. Pension costs of \$55,496 and \$54,976 have been recognized for the years ended June 30, 2018 and 2017, respectively. Plan assets are held in a trust and are not subject to ERISA requirements.

13. OPERATING LEASE

Interfaith Action leases office equipment under an operating lease. Rent expense was \$6,053 and \$1,337 for the years ended June 30, 2018 and 2017.

Future minimum lease payments required for the years ending June 30 are as follows:

2019	\$	5,754
2020		<u>1,146</u>
	\$	<u><u>6,900</u></u>

14. SUBSEQUENT EVENTS

Social Cohesion, a fiscally sponsored project, obtained its 501(c)3 status in 2019 and has requested that the remaining funds be either disbursed to Social Cohesion or returned to the grantor. Interfaith Action will return the remaining funds to the grantor.

In February 2019, Interfaith Action entered into an agreement to market the building for sale.

Interfaith Action was notified the \$169,000 EHDl grant will not be renewed at June 30, 2019 along with a United Way grant of \$66,000. Management is actively seeking replacement sources of funding, but if sufficient funds cannot be secured, management may have to curtail or discontinue some programming.

Management has evaluated subsequent events through May 10, 2019, the date on which the consolidated financial statements were available for issue, and identified no further significant events or transactions to disclose.

SUPPLEMENTARY CONSOLIDATING INFORMATION

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2018

	<u>Interfaith Action</u>	<u>Foundation</u>	<u>Elimination</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 60,267	\$ 20,335	\$ -	\$ 80,602
Accounts receivable	24,160	31,522	(46,728)	8,954
Contracts receivable - government	190,997	-	-	190,997
Prepaid expenses	5,932	1,221	-	7,153
Pledges receivable - current portion	959,215	-	(762,000)	197,215
Total current assets	<u>1,240,571</u>	<u>53,078</u>	<u>(808,728)</u>	<u>484,921</u>
Other assets:				
Pledges receivable -less current portion	28,625	-	-	28,625
Investments	-	1,499,876	-	1,499,876
Lines of credit receivable	-	475,000	(475,000)	-
Property and equipment, net	605,435	-	-	605,435
Total assets	<u>\$ 1,874,631</u>	<u>\$ 2,027,954</u>	<u>\$ (1,283,728)</u>	<u>\$ 2,618,857</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 143,830	\$ 19,099	\$ (19,099)	\$ 143,830
Accrued payroll and related	122,885	-	-	122,885
Accrued interest	27,629	-	(27,629)	-
Grant payable	-	762,000	(762,000)	-
Refundable advance	14,059	-	-	14,059
Annuities payable	-	40	-	40
Total current liabilities	<u>308,403</u>	<u>781,139</u>	<u>(808,728)</u>	<u>280,814</u>
Long term liabilities:				
Annuity payable	-	15,009	-	15,009
Lines of credit	475,000	-	(475,000)	-
Total liabilities	<u>783,403</u>	<u>796,148</u>	<u>(1,283,728)</u>	<u>295,823</u>
Net assets:				
Unrestricted	513,839	-	-	513,839
Temporarily restricted	577,389	547,702	-	1,125,091
Permanently restricted	-	684,104	-	684,104
Total net assets	<u>1,091,228</u>	<u>1,231,806</u>	<u>-</u>	<u>2,323,034</u>
Total liabilities and net assets	<u>\$ 1,874,631</u>	<u>\$ 2,027,954</u>	<u>\$ (1,283,728)</u>	<u>\$ 2,618,857</u>

See independent auditor's report.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

	Interfaith Action		Foundation			Eliminations	Total
	Unrestricted	Temporarily restricted	Unrestricted	Temporarily restricted	Permanently Restricted		
Support and revenue:							
Support:							
Congregations	\$ 38,562	\$ 41,968	\$ -	\$ -	\$ -	\$ -	\$ 80,530
Religious organizations	984	10,310	-	-	-	-	11,294
Individuals	150,573	152,384	-	-	-	-	302,957
Foundations/Corporations	895,511	583,478	-	-	-	(859,611)	619,378
United Way	2,040	66,500	-	-	-	-	68,540
Contributed materials and services	516,519	-	-	-	-	-	516,519
Event income, net of direct donor benefits	7,496	-	-	-	-	-	7,496
Government contracts	698,082	-	-	-	-	-	698,082
Investment income	-	-	-	50,401	-	(17,615)	32,786
Fees and rental	6,200	-	-	-	-	-	6,200
Miscellaneous income	25,060	-	-	-	-	-	25,060
Net assets released from restrictions	826,017	(826,017)	879,038	(879,038)	-	-	-
Total revenues and support	3,167,044	28,623	879,038	(828,637)	-	(877,226)	2,368,842
Expenses:							
Programs:							
Project Home	677,949	-	-	-	-	-	677,949
Department of Indian Work	685,773	-	-	-	-	-	685,773
Project Spirit	170,195	-	-	-	-	-	170,195
Infrastructure of Opportunity	183,186	-	-	-	-	-	183,186
Interfaith Action of Greater Saint Paul	-	-	859,611	-	-	(859,611)	-
Other programs	234,339	-	-	-	-	-	234,339
Total programs expense	1,951,442	-	859,611	-	-	(859,611)	1,951,442
Supporting services:							
General and administrative	375,416	-	19,427	-	-	(17,615)	377,228
Fundraising	281,218	-	-	-	-	-	281,218
Total supporting services	656,634	-	19,427	-	-	(17,615)	658,446
Total expenses	2,608,076	-	879,038	-	-	(877,226)	2,609,888
Change in net assets	558,968	28,623	-	(828,637)	-	-	(241,046)
Net assets, beginning of year	(45,129)	548,766	-	1,376,339	684,104	-	2,564,080
Net assets, end of year	\$ 513,839	\$ 577,389	\$ -	\$ 547,702	\$ 684,104	\$ -	\$ 2,323,034

See independent auditor's report.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2018

	Interfaith Action			Foundation		Eliminations	Total
	Program	General and Administrative	Fundraising	Program	General and Administrative		
Salaries and wages	\$ 640,965	\$ 187,690	\$ 178,730	\$ -	\$ -	\$ -	\$ 1,007,385
Payroll taxes	47,275	14,658	12,010	-	-	-	73,943
Employee benefits	92,233	40,019	24,789	-	-	-	157,041
	<u>780,473</u>	<u>242,367</u>	<u>215,529</u>	-	-	-	<u>1,238,369</u>
Grant to Interfaith Action	-	-	-	859,611	-	(859,611)	-
Site rental fees	373,680	-	-	-	-	-	373,680
Supplies and services	247,854	1,659	4,263	-	-	-	253,776
Consulting/independent contractors	158,044	14,139	11,736	-	18,181	-	202,100
Partner organizations	105,225	-	-	-	-	-	105,225
Computer/telephone/internet	45,180	18,299	8,493	-	-	-	71,972
Client transportation	63,246	-	-	-	-	-	63,246
Building/grounds	44,816	7,865	9,086	-	-	-	61,767
Depreciation	32,898	4,890	6,669	-	-	-	44,457
Events and meetings	18,495	2,796	17,051	-	-	-	38,342
Bad debt	-	32,215	-	-	-	-	32,215
Public relations/newsletter	15,254	2,909	2,939	-	-	-	21,102
Other	14,395	1,192	126	-	-	-	15,713
Equipment	9,879	2,632	2,046	-	-	-	14,557
Legal costs	-	14,342	-	-	-	-	14,342
Travel/transportation	12,999	-	-	-	-	-	12,999
Payroll and bank fees	674	9,602	103	-	-	-	10,379
Laundry services	9,278	-	-	-	-	-	9,278
Mileage/parking	5,831	320	146	-	-	-	6,297
Printing/copying	4,692	654	896	-	-	-	6,242
Postage/shipping	3,890	711	892	-	-	-	5,493
Professional development	2,314	61	288	-	-	-	2,663
Office supplies	1,491	376	436	-	-	-	2,303
Membership/subscriptions	834	588	519	-	-	-	1,941
Interest expense	-	17,799	-	-	1,246	(17,615)	1,430
	<u>\$ 1,951,442</u>	<u>\$ 375,416</u>	<u>\$ 281,218</u>	<u>\$ 859,611</u>	<u>\$ 19,427</u>	<u>\$ (877,226)</u>	<u>\$ 2,609,888</u>

See independent auditor's report