

INTERFAITH ACTION OF GREATER SAINT PAUL

**CONSOLIDATED
FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2019**

INTERFAITH ACTION OF GREATER SAINT PAUL

**CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY CONSOLIDATING INFORMATION**

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5 - 6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 23
Supplementary Consolidating Information:	
Consolidating Statement of Financial Position	24
Consolidating Statement of Activities	25
Consolidating Schedule of Functional Expenses	26



Mahoney Ulbrich Christiansen Russ P.A.

CERTIFIED PUBLIC ACCOUNTANTS

10 River Park Plaza, Suite 800 | Saint Paul, MN 55107

Phone: 651.227.6695 Fax: 651.227.9796 | www.mucr.com

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, 2019, 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, 2019, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, Interfaith Action of Greater Saint Paul has adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

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, 2018, and we expressed an unmodified audit opinion on those financial statements in our report dated May 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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 24 through 26 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.

December 2, 2019

*Mahoney Ulbrich
Christiansen Russ P.A.*

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2019
(With Comparative Totals for 2018)

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 177,963	\$ 60,267
Accounts receivable	2,328	8,954
Contracts receivable - government	126,732	190,997
Prepaid expenses	15,136	7,153
Pledges receivable - current portion	14,018	197,215
Total current assets	336,177	464,586
Other assets:		
Pledges receivable - less current portion	57,375	28,625
Investments	852,116	1,520,211
Property and equipment, net	603,832	605,435
Total assets	\$ 1,849,500	\$ 2,618,857
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 95,410	\$ 143,830
Accrued payroll and related	110,842	122,885
Refundable advance	-	14,059
Gift annuity payable	43	40
Total current liabilities	206,295	280,814
Long-term liability:		
Gift annuity payable	14,966	15,009
Total liabilities	221,261	295,823
Net assets:		
Without donor restrictions	191,267	513,839
With donor restrictions	1,436,972	1,809,195
Total net assets	1,628,239	2,323,034
Total liabilities and net assets	\$ 1,849,500	\$ 2,618,857

See accompanying notes to the consolidated financial statements.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

(With Comparative Totals for 2018)

	2019			
	Without donor restrictions	With donor restrictions	Total	2018
Support and revenue:				
Support:				
Congregations	\$ 40,055	\$ 45,709	\$ 85,764	\$ 80,530
Religious organizations	2,737	20,957	23,694	11,294
Individuals	153,561	64,143	217,704	302,957
Foundations/Corporations	38,325	460,429	498,754	619,378
United Way	1,512	66,500	68,012	68,540
Contributed materials and services	468,130	-	468,130	516,519
Event income, net of direct donor benefits of \$6,060 in 2019 and \$2,325 in 2018	8,115	-	8,115	7,496
Government contracts	456,359	-	456,359	698,082
Investment income, net	-	132,577	132,577	24,059
Fees and rental	6,150	-	6,150	6,200
Miscellaneous income	47,683	-	47,683	25,060
Interest on loan from Foundation	(24,094)	24,094	-	-
Net assets released from restrictions	<u>1,186,632</u>	<u>(1,186,632)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>2,385,165</u>	<u>(372,223)</u>	<u>2,012,942</u>	<u>2,360,115</u>
Expenses:				
Programs:				
Project Home	786,388	-	786,388	677,949
Department of Indian Work	658,949	-	658,949	685,773
Project Spirit	-	-	-	170,195
Opportunity Saint Paul	178,546	-	178,546	183,186
Other programs	<u>326,009</u>	<u>-</u>	<u>326,009</u>	<u>234,339</u>
Total programs expense	<u>1,949,892</u>	<u>-</u>	<u>1,949,892</u>	<u>1,951,442</u>
Supporting services:				
General and administrative	422,474	-	422,474	368,501
Fundraising	<u>335,371</u>	<u>-</u>	<u>335,371</u>	<u>281,218</u>
Total supporting services	<u>757,845</u>	<u>-</u>	<u>757,845</u>	<u>649,719</u>
Total expenses	<u>2,707,737</u>	<u>-</u>	<u>2,707,737</u>	<u>2,601,161</u>
Change in net assets	(322,572)	(372,223)	(694,795)	(241,046)
Net assets, beginning of year	<u>513,839</u>	<u>1,809,195</u>	<u>2,323,034</u>	<u>2,564,080</u>
Net assets, end of year	<u>\$ 191,267</u>	<u>\$ 1,436,972</u>	<u>\$ 1,628,239</u>	<u>\$ 2,323,034</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, 2019
(With Comparative Totals for 2018)

	2019			Total	2018
	Program	General and Administrative	Fundraising		
Salaries and wages	\$ 567,928	\$ 210,716	\$ 202,909	\$ 981,553	\$ 1,007,385
Payroll taxes	41,361	14,309	13,500	69,170	73,943
Employee benefits	85,957	61,598	36,623	184,178	157,041
	<u>695,246</u>	<u>286,623</u>	<u>253,032</u>	<u>1,234,901</u>	<u>1,238,369</u>
Site rental fees	345,973	200	-	346,173	373,680
Supplies and services	215,833	-	30	215,863	253,776
Consulting/independent contractors	188,574	19,807	32,540	240,921	193,373
Grants	99,874	-	-	99,874	13,831
Partner organizations	107,482	-	-	107,482	105,225
Computer/telephone/internet	80,283	22,812	10,183	113,278	71,972
Client transportation	59,322	-	-	59,322	63,246
Building/grounds	38,577	12,070	9,418	60,065	61,767
Depreciation	32,409	3,846	8,030	44,285	44,457
Events and meetings	18,674	2,074	16,711	37,459	38,342
Bad debt	-	33,688	-	33,688	32,215
Public relations/newsletter	2,856	2,099	-	4,955	21,102
Other	13,563	16,076	-	29,639	1,882
Equipment	7,836	2,408	2,029	12,273	14,557
Legal costs	-	4,355	-	4,355	14,342
Travel/transportation	17,098	539	-	17,637	12,999
Payroll and bank fees	593	10,246	391	11,230	10,379
Laundry services	7,473	-	-	7,473	9,278
Mileage/parking	5,746	1,126	36	6,908	6,297
Printing/copying	4,429	889	1,026	6,344	6,242
Postage/shipping	3,673	852	913	5,438	5,493
Professional development	2,106	150	323	2,579	2,663
Office supplies	1,521	667	445	2,633	2,303
Membership/subscriptions	751	705	264	1,720	1,941
Interest expense	-	1,242	-	1,242	1,430
	<u>1,949,892</u>	<u>422,474</u>	<u>335,371</u>	<u>2,707,737</u>	<u>2,601,161</u>
Direct donor benefits net with event income	-	-	6,060	6,060	2,325
	<u>\$ 1,949,892</u>	<u>\$ 422,474</u>	<u>\$ 341,431</u>	<u>\$ 2,713,797</u>	<u>\$ 2,603,486</u>

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, 2019

	Project Home	Department of Indian Work	Farm + Faith	Community Power Ups	Interfaith Youth Connection	Systemic Work: Opportunity Saint Paul	Fiscal Sponsorship			Other Mission Advancement	Total
							MNMN	Social Cohesion	SPIN		
Salaries and wages	\$ 202,942	\$ 257,718	\$ 3,090	\$ 1,477	\$ 754	\$ 92,507	\$ -	\$ -	\$ -	\$ 9,440	\$ 567,928
Payroll taxes	14,460	19,287	269	113	36	6,478	-	-	-	718	41,361
Employee benefits	37,266	35,439	3,201	66	-	9,925	-	-	-	60	85,957
	<u>254,668</u>	<u>312,444</u>	<u>6,560</u>	<u>1,656</u>	<u>790</u>	<u>108,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,218</u>	<u>695,246</u>
Site rental fees	344,223	-	-	450	-	1,300	-	-	-	-	345,973
Supplies and services	41,948	143,218	-	22	-	670	-	11,412	-	18,563	215,833
Consulting/independent contractors	10,770	9,150	-	500	-	32,350	16,061	111,490	5,583	2,670	188,574
Grants	-	-	-	-	-	-	-	99,874	-	-	99,874
Partner organizations	-	93,247	-	-	-	10,235	-	-	-	4,000	107,482
Computer/telephone/internet	32,062	38,988	250	-	8	7,954	551	-	-	470	80,283
Client transportation	56,491	2,705	-	-	-	-	-	126	-	-	59,322
Building/grounds	14,414	19,122	260	-	20	4,043	-	450	-	268	38,577
Depreciation	12,259	16,314	119	-	20	3,462	-	-	-	235	32,409
Events and meetings	390	3,845	-	66	-	7,090	18	3,574	-	3,691	18,674
Public relations/newsletter	754	1,893	9	-	2	184	-	-	-	14	2,856
Other	-	-	-	-	-	-	-	563	13,000	-	13,563
Equipment	2,711	3,618	67	-	6	1,003	375	-	-	56	7,836
Travel/transportation	-	6,090	-	-	-	-	-	11,008	-	-	17,098
Payroll and bank fees	123	162	-	-	-	9	83	-	84	132	593
Laundry services	7,473	-	-	-	-	-	-	-	-	-	7,473
Mileage/parking	3,555	2,001	-	-	-	34	-	156	-	-	5,746
Printing/copying	1,593	2,076	24	-	-	461	-	-	-	275	4,429
Postage/shipping	1,390	1,811	15	-	-	380	50	-	-	27	3,673
Professional development	482	1,423	-	-	-	121	80	-	-	-	2,106
Office supplies	637	550	2	-	-	327	-	-	-	5	1,521
Membership/subscriptions	445	292	-	-	-	13	-	-	-	1	751
Total program costs	<u>\$ 786,388</u>	<u>\$ 658,949</u>	<u>\$ 7,306</u>	<u>\$ 2,694</u>	<u>\$ 846</u>	<u>\$ 178,546</u>	<u>\$ 17,218</u>	<u>\$ 238,653</u>	<u>\$ 18,667</u>	<u>\$ 40,625</u>	<u>\$ 1,949,892</u>

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, 2019
(With Comparative Totals for 2018)

Increase (Decrease) in Cash and Cash Equivalents

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (694,795)	\$ (241,046)
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation	44,285	44,457
Realized/unrealized (gain) loss on investments	(107,767)	12,465
Changes in operating assets and liabilities:		
Accounts and contracts receivable	70,891	(24,777)
Prepaid expenses	(7,983)	(5,438)
Pledges receivable	154,447	9,901
Accounts payable	(48,420)	17,500
Accrued payroll and related	(12,043)	10,088
Refundable advance	(14,059)	14,059
Annuity payable	(40)	(36)
Net cash from operating activities	(615,484)	(162,827)
Cash flows from investing activities:		
Purchase of property and equipment	(42,682)	(3,149)
Sale of investments	897,694	616,318
Purchase of investments	(121,832)	(429,937)
Net cash from investing activities	733,180	183,232
Net increase (decrease) in cash and cash equivalents	117,696	20,405
Cash and cash equivalents, beginning of year	60,267	39,862
Cash and cash equivalents, end of year	\$ 177,963	\$ 60,267

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, 2019
(With Comparative Totals for 2018)

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 faith organizations in the eastern metro surrounding Saint Paul, Minnesota, and serves approximately 4,000 people annually. 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 10,000 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, 2019
(With Comparative Totals for 2018)

1. ORGANIZATION (Continued)

- **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 in Minnesota 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.

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 which 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.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

1. ORGANIZATION (Continued)

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 whose income is only 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 \$88,358 and \$859,611 for the years ended June 30, 2019 and 2018.

Interfaith Action has secured two lines of credit from the Foundation. The \$350,000 line of credit note payable requires interest-only payments at Prime, as published in the Wall Street Journal, plus one-half percent (6% at June 30, 2019). The maturity date is June 30, 2025. 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, 2019 and 2018 was \$475,000. Interest on the line of credit was \$24,094 in 2019 and \$17,799 in 2018. The line of credit is secured by a mortgage on the land, building and other assets of Interfaith Action. The line of credit balances, related interest, and grant have been eliminated for purposes of consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Pronouncement Adopted - FASB issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* to address the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Interfaith Action has adopted the pronouncement and adjusted the presentation of these statements accordingly. As a result, net assets previously reported as temporarily restricted are now called net assets with donor restrictions. The amount of such net assets did not change. Footnote disclosures have also been expanded as required by the ASU.

Interfaith Action opted not to disclose liquidity and availability information for 2018 as permitted under the ASU in the year of adoption.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reports information regarding its financial position and activities in the following net asset categories:

- *Net Assets Without Donor Restrictions* - Net assets available to use in general operations at the discretion of management and the board of directors and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

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, 2018, 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.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable - When a 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.

Investments - Investments in marketable securities are reported at fair value. Net investment return is reported in the statement of activities and consists of interest and dividends, realized and unrealized gains and losses less external investment expenses.

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.

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 net assets with donor restrictions until released to the project.

Contribution Revenue Recognition - Contributions are recognized when the donor makes an unconditional commitment to give to Interfaith Action. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. When a restriction expires, net assets with donor restrictions are released to net assets without donor restrictions.

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.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Building/grounds, equipment, and depreciation are allocated based on a square footage, all other expense allocations are based on estimates of full time equivalents.

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.

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, 2019 and 2018.

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. Interfaith Action and the Foundation would recognize any interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if incurred.

Reclassifications - Reclassifications were made to the 2018 financial statements to be consistent with the current year financial statements. These reclassifications did not affect net assets or the change in net assets.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

3. LIQUIDITY AND AVAILABILITY

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

Financial assets at year end:	
Cash and equivalents	\$ 177,963
Accounts receivable	2,328
Contracts receivable – government	126,732
Pledges receivable – current portion	14,018
Investments	<u>852,116</u>
	1,173,157
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(1,436,972)
Add amounts available to be used within one year:	
Endowment appropriation for FY 2019-2020	<u>47,358</u>
Shortage of financial assets to meet general expenditures over the next 12 months	<u>\$ (216,457)</u>

Beginning in May 2019, Interfaith Action’s objective is to distribute no more than 4% of a rolling four quarter market average of principal and appreciation. Appropriations from the donor-restricted fund endowment are available for operations.

Interfaith Action is responsible to maintain resources to meet donor-imposed restrictions. These resources are unavailable for general expenditures.

As part of its liquidity management plan, the board of directors reviews financial reports and cash balances. Interfaith Action lives month to month through donations and funders and plans to obtain an external line of credit to manage short term cash shortfalls.

Interfaith Action also has a \$475,000 line of credit from the Foundation which is eliminated in the consolidated financial statements.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

4. PLEDGES RECEIVABLE AND CONDITIONAL PLEDGE

Pledges receivable are estimated to be collected as follows at June 30, 2019:

Within one year	\$ 14,018
In one to five years	<u>57,375</u>
	<u>\$ 71,393</u>

5. INVESTMENT INCOME

Investment income is summarized as follows:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 32,117	\$ 45,251
Net realized and unrealized gains (losses)	107,767	(12,465)
Management fees	<u>(7,307)</u>	<u>(8,727)</u>
Total investment income	<u>\$ 132,577</u>	<u>\$ 24,059</u>

6. 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.
- 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;

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

6. FAIR VALUE MEASUREMENTS (Continued)

- 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.

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.

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

	Fair value	Fair Value Measurement Using:		
		Level 1 inputs	Level 2 inputs	Level 3 inputs
2019				
Money market mutual funds	\$ 23,136	\$ 23,136	\$ -	\$ -
Common stock	561,700	561,700	-	-
Corporate bonds	234,485	-	234,485	-
Collateralized mortgage obligations	24,157	-	24,157	-
REIT	8,638	8,638	-	-
	<u>\$ 852,116</u>	<u>\$ 593,474</u>	<u>\$ 258,642</u>	<u>\$ -</u>
2018				
Money market mutual funds	\$ 20,335	\$ 20,335	\$ -	\$ -
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>\$ 1,520,211</u>	<u>\$ 1,045,339</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, 2019
(With Comparative Totals for 2018)

6. FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodology used for investments measured at fair value and included in level 2. There have been no changes in the methodologies used.

Corporate bonds and collateralized mortgage obligations: 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.

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2019	2018	Estimated useful life in years
Land	\$ 15,000	\$ 15,000	-
Building and building improvements	1,335,028	1,335,028	5 - 40
Equipment	110,410	87,863	3 - 10
	<u>1,460,438</u>	<u>1,437,891</u>	
Less accumulated depreciation	<u>(856,606)</u>	<u>(832,456)</u>	
	<u>\$ 603,832</u>	<u>\$ 605,435</u>	

Depreciation expense was \$44,285 in 2019 and \$44,457 in 2018.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

8. GIFT 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 \$1,282 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.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are for the following purposes:

	2019	2018
Department of Indian Work	\$ 15,000	\$ 82,622
MLK Breakfast	-	816
Opportunity Saint Paul	51,429	184,475
Community Power Ups	32,307	-
Project Home	-	135,208
Farm + Faith	-	2,311
Mission support	1,082	-
Pledges restricted for future periods	26,393	70,075
Fiscal sponsorships:		
Social Cohesion	-	89,077
Saint Paul Interfaith Network (SPIN)	163	12,805
MNMN	22,984	-
Foundation endowment fund (See Note 10)	1,287,614	1,231,806
	\$ 1,436,972	\$ 1,809,195

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

10. 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 net assets with donor restrictions.

Interfaith Action is subject to the Minnesota Prudent Management of Institutional Funds Act (MPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before releasing those net assets to net assets without donor restrictions.

The Board of Directors of Interfaith Action has interpreted MPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, Interfaith Action considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. Interfaith Action has interpreted MPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with MPMIFA, Interfaith Action 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

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

10. **ENDOWMENT (Continued)**

Changes in endowment net assets with donor restrictions for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Beginning of year	\$ 1,231,806	\$ 2,060,443
Investment return	163,978	50,401
Appropriations for expenditure	<u>(108,170)</u>	<u>(879,038)</u>
End of year	<u>\$ 1,287,614</u>	<u>\$ 1,231,806</u>

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.

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, 2019 and 2018, as described in Note 1. Interest earned was \$24,094 in 2019 and \$17,615 in 2018.

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 four percent of the average prior four 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, and the nature and duration of the endowment funds, all of which must be maintained in perpetuity because of donor restrictions. During 2018, the Board approved a special one-time discretionary grant of \$762,000, which exceeded the 2% discretionary grant allowed by the spending policy.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

11. CONTRIBUTED MATERIALS AND SERVICES

During the years ended June 30, 2019 and 2018, Interfaith Action recognized the following contributed materials and services:

	2019	2018
Program:		
Project Home shelter space	\$ 360,294	\$ 346,221
Food shelf	89,273	110,360
Project Spirit:		
Classroom space	-	22,176
Food and snacks	-	3,869
Supplies for School Tools Drive	18,563	19,872
Youth services program supplies and site rental	-	7,920
Department of Indian Works - food	-	2,906
Opportunity St. Paul site rental	-	1,000
General and administrative:		
Donated computers	-	296
Other	-	1,899
	\$ 468,130	\$ 516,519

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 years ended June 30, 2019 and 2018.

Interfaith Action also operates a food shelf that received donated food from various sources. The estimated value of these donations was \$1.68 and \$1.73 per pound for the years ended June 30, 2019 and 2018.

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.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

12. 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 fiscal sponsorship agreements with Saint Paul Interfaith Network (SPIN), Social Cohesion, and Minnesota Multi-faith Network. Social Cohesion obtained is 501(c)3 status in 2019 and remaining funds held by Interfaith Action were returned to the grantor. The impact on Interfaith Action's changes in net assets for 2019 are as follows:

SPIN	\$	(12,227)
Social Cohesion		(89,077)
MNMN		<u>22,984</u>
	\$	<u>(78,320)</u>

13. RETIREMENT PLAN

Interfaith Action participates in a multi-employer defined contribution plan of the Evangelical Lutheran Church in America (ELCA). A required contribution of 5% is made for all employees working over 1040 hours per calendar year. Payments are made for those still employed as of the last day of the quarter. 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 \$49,275 and \$55,496 have been recognized for the years ended June 30, 2019 and 2018, respectively. Plan assets are held in a trust and are not subject to ERISA requirements.

14. OPERATING LEASE

Interfaith Action leases office equipment under an operating lease. Rent expense was \$5,647 and \$694 for the years ended June 30, 2019 and 2018.

Future minimum lease payments required for the years ending June 30, 2020 are \$1,146.

(Continued)

INTERFAITH ACTION OF GREATER SAINT PAUL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

15. SUBSEQUENT EVENTS

The Minnesota Department of Health – Eliminating Health Disparities Initiative grant which provided annual funding of \$169,295 expired June 30, 2019 and was not renewed.

Management has evaluated subsequent events through December 2, 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, 2019

	<u>Interfaith Action</u>	<u>Foundation</u>	<u>Elimination</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 177,963	\$ -	\$ -	\$ 177,963
Accounts receivable	29,141	54,051	(80,864)	2,328
Contracts receivable - government	126,732	-	-	126,732
Prepaid expenses	15,136	-	-	15,136
Pledges receivable - current portion	61,376	-	(47,358)	14,018
Inventory	-	-	-	-
Total current assets	<u>410,348</u>	<u>54,051</u>	<u>(128,222)</u>	<u>336,177</u>
Other assets:				
Pledges receivable -less current portion	57,375	-	-	57,375
Investments	2,045	850,071	-	852,116
Lines of credit receivable	-	475,000	(475,000)	-
Property and equipment, net	<u>603,832</u>	<u>-</u>	<u>-</u>	<u>603,832</u>
Total assets	<u>\$ 1,073,600</u>	<u>\$ 1,379,122</u>	<u>\$ (603,222)</u>	<u>\$ 1,849,500</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 95,410	\$ 29,141	\$ (29,141)	\$ 95,410
Accrued payroll and related	110,842	-	-	110,842
Accrued interest	51,723	-	(51,723)	-
Grant payable	-	47,358	(47,358)	-
Refundable advance	-	-	-	-
Gift annuities payable	-	43	-	43
Total current liabilities	<u>257,975</u>	<u>76,542</u>	<u>(128,222)</u>	<u>206,295</u>
Long term liabilities:				
Gift annuity payable	-	14,966	-	14,966
Lines of credit	<u>475,000</u>	<u>-</u>	<u>(475,000)</u>	<u>-</u>
Total liabilities	<u>732,975</u>	<u>91,508</u>	<u>(603,222)</u>	<u>221,261</u>
Net assets:				
Without donor restrictions	191,267	-	-	191,267
With donor restrictions	<u>149,358</u>	<u>1,287,614</u>	<u>-</u>	<u>1,436,972</u>
Total net assets	<u>340,625</u>	<u>1,287,614</u>	<u>-</u>	<u>1,628,239</u>
Total liabilities and net assets	<u>\$ 1,073,600</u>	<u>\$ 1,379,122</u>	<u>\$ (603,222)</u>	<u>\$ 1,849,500</u>

See independent auditor's report.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	Interfaith Action		Foundation		Eliminations	Total
	Without donor restriction	With donor restriction	Without donor restriction	With donor restriction		
Support and revenue:						
Support:						
Congregations	\$ 40,055	\$ 45,709	\$ -	\$ -	\$ -	\$ 85,764
Religious organizations	2,737	20,957	-	-	-	23,694
Individuals	153,561	64,143	-	-	-	217,704
Foundations/Corporations	126,683	460,429	-	-	(88,358)	498,754
United Way	1,512	66,500	-	-	-	68,012
Contributed materials and services	468,130	-	-	-	-	468,130
Event income, net of direct donor benefits	8,115	-	-	-	-	8,115
Government contracts	456,359	-	-	-	-	456,359
Investment income, net	-	-	-	156,671	(24,094)	132,577
Fees and rental	6,150	-	-	-	-	6,150
Miscellaneous income	47,683	-	-	-	-	47,683
Net assets released from restrictions	1,085,769	(1,085,769)	100,863	(100,863)	-	-
Total revenues and support	2,396,754	(428,031)	100,863	55,808	(112,452)	2,012,942
Expenses:						
Programs:						
Project Home	786,388	-	-	-	-	786,388
Department of Indian Work	658,949	-	-	-	-	658,949
Opportunity Saint Paul	178,546	-	-	-	-	178,546
Interfaith Action of Greater Saint Paul	-	-	88,358	-	(88,358)	-
Other programs	326,009	-	-	-	-	326,009
Total programs expense	1,949,892	-	88,358	-	(88,358)	1,949,892
Supporting services:						
General and administrative	434,063	-	12,505	-	(24,094)	422,474
Fundraising	335,371	-	-	-	-	335,371
Total supporting services	769,434	-	12,505	-	(24,094)	757,845
Total expenses	2,719,326	-	100,863	-	(112,452)	2,707,737
Change in net assets	(322,572)	(428,031)	-	55,808	-	(694,795)
Net assets, beginning of year	513,839	577,389	-	1,231,806	-	2,323,034
Net assets, end of year	\$ 191,267	\$ 149,358	\$ -	\$ 1,287,614	\$ -	\$ 1,628,239

See independent auditor's report.

INTERFAITH ACTION OF GREATER SAINT PAUL

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

	Interfaith Action			Foundation			Total
	Program	General and Administrative	Fundraising	Program	General and Administrative	Eliminations	
Salaries and wages	\$ 567,928	\$ 210,716	\$ 202,909	\$ -	\$ -	\$ -	\$ 981,553
Payroll taxes	41,361	14,309	13,500	-	-	-	69,170
Employee benefits	85,957	61,598	36,623	-	-	-	184,178
	<u>695,246</u>	<u>286,623</u>	<u>253,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,234,901</u>
Grant to Interfaith Action	-	-	-	88,358	-	(88,358)	-
Site rental fees	345,973	200	-	-	-	-	346,173
Supplies and services	215,833	-	30	-	-	-	215,863
Consulting/independent contractors	188,574	13,626	32,540	-	6,181	-	240,921
Grants	99,874	-	-	-	-	-	99,874
Partner organizations	107,482	-	-	-	-	-	107,482
Computer/telephone/internet	80,283	22,812	10,183	-	-	-	113,278
Client transportation	59,322	-	-	-	-	-	59,322
Building/grounds	38,577	12,070	9,418	-	-	-	60,065
Depreciation	32,409	3,846	8,030	-	-	-	44,285
Events and meetings	18,674	2,074	16,711	-	-	-	37,459
Bad debt	-	33,688	-	-	-	-	33,688
Public relations/newsletter	2,856	2,099	-	-	-	-	4,955
Other	13,563	10,994	-	-	5,082	-	29,639
Equipment	7,836	2,408	2,029	-	-	-	12,273
Legal costs	-	4,355	-	-	-	-	4,355
Travel/transportation	17,098	539	-	-	-	-	17,637
Payroll and bank fees	593	10,246	391	-	-	-	11,230
Laundry services	7,473	-	-	-	-	-	7,473
Mileage/parking	5,746	1,126	36	-	-	-	6,908
Printing/copying	4,429	889	1,026	-	-	-	6,344
Postage/shipping	3,673	852	913	-	-	-	5,438
Professional development	2,106	150	323	-	-	-	2,579
Office supplies	1,521	667	445	-	-	-	2,633
Membership/subscriptions	751	705	264	-	-	-	1,720
Interest expense	-	24,094	-	-	1,242	(24,094)	1,242
	<u>\$ 1,949,892</u>	<u>\$ 434,063</u>	<u>\$ 335,371</u>	<u>\$ 88,358</u>	<u>\$ 12,505</u>	<u>\$ (112,452)</u>	<u>\$ 2,707,737</u>

See independent auditor's report