

**DAVID G. FAW**  
CERTIFIED PUBLIC  
ACCOUNTANT

**INTER-FAITH HOUSING ALLIANCE**

**FINANCIAL STATEMENTS**

**June 30, 2012**

**INTER-FAITH HOUSING ALLIANCE**  
**TABLE OF CONTENTS**  
**For the year ended June 30, 2012**  
**(with comparative totals for the year ended June 30, 2011)**

	<u>Page</u>
Independent Auditor's Report	1
Statement of Financial Position (with comparative totals as of June 30, 2011)	2
Statement of Activities (with comparative totals for the year ended June 30, 2011)	3
Statement of Cash Flows (with comparative totals for the year ended June 30, 2011)	4
Statement of Functional Expenses (with comparative totals for the year ended June 30, 2011)	5 - 6
Notes to Financial Statements	7 - 10

**DAVID G. FAW**  
CERTIFIED PUBLIC  
ACCOUNTANT

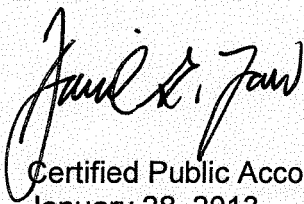
**INDEPENDENT AUDITOR'S REPORT**

Officers and Directors  
Inter-Faith Housing Alliance  
Ambler, Pennsylvania

I have audited the accompanying statement of financial position of Inter-Faith Housing Alliance (a nonprofit corporation), as of June 30, 2012 and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior-year summarized comparative information has been derived from the Organization's June 30, 2011 financial statements and, in my report dated November 28, 2011, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inter-Faith Housing Alliance as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountant  
January 28, 2013

**INTER-FAITH HOUSING ALLIANCE**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2012**  
**(with comparative totals as of June 30, 2011)**

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Cash	\$ 152,307	\$ 135,415
Grants and contributions receivable	26,735	38,254
Prepaid expenses	3,145	1,879
Property and equipment, net of accumulated depreciation of \$28,609 in 2012 and \$23,868 in 2011	<u>37,436</u>	<u>42,177</u>
Total assets	<u>\$ 219,623</u>	<u>\$ 217,725</u>
<u>Liabilities</u>		
Accounts payable	10,664	798
Accrued expenses	<u>1,600</u>	<u>1,300</u>
Total liabilities	<u>12,264</u>	<u>2,098</u>
<u>Net assets</u>		
Unrestricted	187,859	209,336
Temporarily restricted	<u>19,500</u>	<u>6,291</u>
Total net assets	<u>207,359</u>	<u>215,627</u>
Total liabilities and net assets	<u>\$ 219,623</u>	<u>\$ 217,725</u>

The accompanying notes are an integral part of these financial statements.

**INTER-FAITH HOUSING ALLIANCE**  
**STATEMENT OF ACTIVITIES**  
For the year ended June 30, 2012  
(with comparative totals for the year ended June 30, 2011)

	Unrestricted	Temporarily Restricted	Total all funds 2012	Total all funds 2011
<u>Support and revenue</u>				
Annual fund	\$ 90,677	\$ -	\$ 90,677	\$ 91,731
Community events	44,390	-	44,390	35,288
Congregations	36,327	-	36,327	27,447
Clubs and organizations	11,100	-	11,100	25,473
Corporations	34,085	-	34,085	34,394
Foundations	59,400	32,000	91,400	79,050
Government grants	36,892	-	36,892	27,882
Rental income	711	-	711	-
Donated facility and services	-	-	-	12,000
Net assets released from restrictions:				
Satisfaction of program or time restrictions	18,791	(18,791)	-	-
Total support and revenue	332,373	13,209	345,582	333,265
<u>Expenses</u>				
Program expense	246,715	-	246,715	215,536
Management and general	55,961	-	55,961	54,828
Fundraising	51,174	-	51,174	43,711
Total expenses	353,850	-	353,850	314,075
Change in net assets before write down of notes receivable	(21,477)	13,209	(8,268)	19,190
Write down of notes receivable	-	-	-	1,024,320
Change in net assets after write down of notes receivable	(21,477)	13,209	(8,268)	(1,005,130)
Net assets at beginning of year	209,336	6,291	215,627	1,220,757
Net assets at end of year	<u>\$ 187,859</u>	<u>\$ 19,500</u>	<u>\$ 207,359</u>	<u>\$ 215,627</u>

The accompanying notes are an integral part of these financial statements.

**INTER-FAITH HOUSING ALLIANCE**  
**STATEMENT OF CASH FLOWS**  
For the year ended June 30, 2012  
(with comparative totals for the year ended June 30, 2011)

	<u>2012</u>	<u>2011</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (8,268)	\$ (1,005,130)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Write down of notes receivable	-	1,024,320
Depreciation	4,741	5,069
Changes in assets and liabilities:		
Grants and contributions receivable	11,519	(3,628)
Prepaid expense	(1,266)	4,019
Accounts payable	9,866	(15,447)
Accrued expenses	300	(2,000)
Net cash provided by operating activities	<u>16,892</u>	<u>7,203</u>
Net increase in cash	16,892	7,203
Cash at beginning of year	<u>135,415</u>	<u>128,212</u>
Cash at end of year	<u><u>\$ 152,307</u></u>	<u><u>\$ 135,415</u></u>

The accompanying notes are an integral part of these financial statements.



(with comparative totals for the year ended June 30, 2011)

The accompanying notes are an integral part of these financial statements.

**INTER-FAITH HOUSING ALLIANCE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended June 30, 2012  
(with comparative totals for the year ended June 30, 2011)

	Program Services						Total 2012	Total 2011
	Hospitality Networks	Hot Line	Graduate Housing	Hope Gardens Transitional	Total Program Expenses	Management and General		
Telephone	\$ 2,410	\$ 803	\$ -	\$ 1,973	\$ 5,186	\$ 1,979	\$ 7,165	\$ 7,219
Transportation assistance	-	284	-	-	284	-	284	1,058
Travel expense	591	-	-	249	840	1,228	-	2,960
Utility and fuel assistance	-	7,533	-	-	7,533	-	7,533	6,820
Total expenses	<u>\$ 108,890</u>	<u>\$ 25,948</u>	<u>\$ 13,358</u>	<u>\$ 98,519</u>	<u>\$ 246,715</u>	<u>\$ 55,961</u>	<u>\$ 353,850</u>	<u>\$ 314,075</u>

The accompanying notes are an integral part of these financial statements.



**INTER-FAITH HOUSING ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

Note 1 - Description of Organization

Inter-Faith is a not-for-profit corporation whose mission is to serve God by providing charitable services to persons located in Montgomery County whose life situations have become unstable. These charitable services shall include homelessness prevention, temporary shelter, guidance in life skills, and assistance in locating appropriate housing opportunities thus enabling families at risk to remain in or return to independent living. Inter-Faith is funded by a variety of private grants and contributions, and to a lesser extent, government grants. The Organization's current programs include:

Network: The Inter-Faith Hospitality Network (IHN) provides short-term emergency housing and services for homeless families in Central Montgomery County, through the cooperation of local congregations.

Hotline: Inter-Faith operates an emergency hotline to help prevent homelessness by providing short-term emergency assistance. Callers are provided with utility assistance, rental assistance, emergency shelter, or referrals to other appropriate social service agencies.

Transitional: Inter-Faith owns an eight-unit apartment building, Hope Gardens, which provides a transitional step between shelter and permanent housing for those families who successfully meet their goals in the Network. Families in the transitional program continue receiving intensive support services.

Graduate Housing: Inter-Faith refers graduates of its transitional program to become tenants in a variety of other subsidized housing programs. Case management and limited financial assistance is available for one year.

Note 2 - Summary of Significant Accounting Policies

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization has no permanently restricted net assets.

Contributions Receivable/Unconditional Promises to Give

All contributions, including unconditional pledges, are reported as revenue in the net asset class (unrestricted, temporarily restricted or permanently restricted) appropriate to any donor restrictions on the gift at the time of receipt. The Organization uses the allowance method to determine uncollectible grants and contributions receivable. The allowance is based on prior years' experience and management's analysis of specific amounts due. All grants and contributions receivable are due within approximately one year and are expected to be fully realizable.

**INTER-FAITH HOUSING ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

Note 2 - Summary of Significant Accounting Policies (continued)

Contributed Services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their values in the period received.

Property and Equipment

Property and equipment are stated at cost if purchased and fair market value (at time of donation) if donated and depreciated on the straight-line basis over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related depreciation are removed from the books and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred, whereas costs of significant replacements and improvements are capitalized and amortized over the periods benefited. The Organization follows the practice of capitalization, at cost, all expenditures for property and equipment in excess of \$1,000.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program, management and general, and fundraising categories based on specific identification. Indirect expenses have been allocated based on salary expenditures.

Statement of Cash Flows

Inter-Faith utilizes the indirect method for reporting the increase or decrease in cash and equivalents. Cash equivalents, when applicable, are defined as short term, highly liquid investments with original maturities of three months or less.

Financial Instruments

The carrying amount of cash, grants and contributions receivable, prepaid expenses, accounts payable, accrued expenses approximate fair value due to their short-term nature.

Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**INTER-FAITH HOUSING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a not-for-profit corporation and has been recognized as exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and accordingly does not record a provision for income taxes on its related earnings. The Organization regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters. It believes that in the event of an examination by taxing authorities, its positions would prevail based upon the technical merits of such positions. Therefore, the Organization has concluded that no tax benefits or liabilities are required to be recognized.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2011, 2010 and 2009 are subject to examination by the IRS, generally for three years after they were filed.

Note 3 - Property and Equipment

The major classifications and estimated useful lives used in computing depreciation as of June 30, 2012 are as follows:

		<u>Estimated Useful Lives</u>
Building improvements	\$ 66,045	5 - 40 years
Less accumulated depreciation	<u>(28,609)</u>	
	<u>\$ 37,436</u>	

Depreciation expense for the year ended June 30, 2012 was \$4,741.

Note 4 - Purchase of Hope Gardens

On May 2, 2012 Inter-Faith purchased for \$10,000 the land and building known as Hope Gardens located at 31 South Spring Garden Street in Ambler. The property was formerly owned by a limited partnership in which Inter-Faith had a 49% interest. The partnership is now terminated. The eight-unit apartment building has always been a part of Inter-Faith's transitional housing programming as described in Note 1. Inter-Faith now owns the building directly and continues to manage and maintain the property consistent with its mission.

Note 5 - Retirement Plan

Inter-Faith has a 401(k) Profit Sharing Plan and Trust for the benefit of all eligible employees. Employer contributions to the Plan may be made at the discretion of the Board of Directors. Contributions for 2012 totaled \$3,065.

**INTER-FAITH HOUSING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**Note 6 - Temporarily Restricted Net Assets (TRNA)**

Funds classified as temporarily restricted net assets consist of the following as of June 30, 2012:

	TRNA Balance <u>6/30/2011</u>	Current Grants, Contributions and Other <u>Income</u>	Released From <u>Restrictions</u>	TRNA Balance <u>6/30/2012</u>
Claneil Foundation (time)	\$ -	\$ 7,000	\$ -	\$ 7,000
Connelly Foundation (time)	-	25,000	(12,500)	12,500
Emergency Food and Shelter Program / CDBG	<u>6,291</u>	<u>-</u>	<u>(6,291)</u>	<u>-</u>
	<u>\$ 6,291</u>	<u>\$ 32,000</u>	<u>\$ (18,791)</u>	<u>\$ 19,500</u>

**Note 7 - Prior Year Information**

Certain financial statements contained herein include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

**Note 8 - Evaluation of Subsequent Events**

Inter-Faith has evaluated subsequent events through January 28, 2013, the date which the financial statements were available to be issued. No items were noted which require disclosure in the financial statements.



**Helping homeless families and people in need for over 25 years**

## **ANNUAL REPORT**

**Fiscal Year  
2011/2012**

**Inter-Faith Housing Alliance**  
PO Box 141; Ambler PA 19002  
215-628-2334; [www.i-fha.org](http://www.i-fha.org)

**Inter-Faith's United Way Donor Designation # is: 5356**

## **FY 2011/2012 ANNUAL REPORT**

Inter-Faith Housing Alliance had a successful 12 month funding cycle, and plans have been made for future growth. The support of area foundations, corporations and individuals played a significant role in our ability to provide critical support to homeless individuals and their children, throughout our region.

### **I. People Served**

In Fiscal Year 2011-2012 Inter-Faith Housing Alliance provided:

- Safe and supportive housing and case management services to twenty-one families
- Emergency heating to twenty-three households
- Rental and utility assistance to eighteen families keeping them in their homes;
- Four thousand, eight hundred and thirty nine individuals with food through our community food bank

### **Programs**

Inter-Faith offered a series of comprehensive programs, including:

- **Monthly Educational Workshops:** Parents in our programs had the opportunity to attend monthly educational programs addressing issues of importance to them. These included: credit repair and household budgeting led by a local bank; healthy relationships and positive parenting, job skills classes and dress for success.
- **Monthly Children's Program:** Held at the same time as the adult workshops, Inter-Faith provides two-hour long programs for the children we serve. The themes mirror those their parents attend, and included: Group games, and Mural painting.