INTERFAITH NEIGHBORS, INC.
Combined Financial Statements
December 31, 2022
With Independent Auditor's Reports

Interfaith Neighbors, Inc.
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ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Interfaith Neighbors, Inc.:

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of Interfaith Neighbors, Inc. (the "Organization"), which comprise the combined statement of financial position as of December 31, 2022, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of Interfaith Neighbors, Inc. as of December 31, 2022 , and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

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In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal, state and county awards for the year ended December 31, 2022, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of New Jersey, Department of Treasury, Office of Management and Budget Policy Circular 15-08-OMB, is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Withum Smith+Brown, PC

September 28, 2023

Interfaith Neighbors, Inc.
Combined Statement of Financial Position
December 31, 2022

Assets	
Current assets	
Cash and cash equivalents	$ 2,982,107
Restricted cash - security deposits	34,087
Restricted cash - endowment fund - board designated	127,255
Investments, unrestricted	7,557,042
Contributions receivable	4,968,622
Grants receivable	628,768
Other receivables	36,342
Prepaid expenses	5,277
Inventory	36,204
Assets held for sale	2,142,259
Total current assets	18,517,963
Property, buildings and equipment - net of accumulated depreciation	4,645,596
Other assets	
Construction in progress	524,023
Investments, endowment fund - board designated	1,346,317
Investments, endowment fund - donor restricted	237,243
Total other assets	2,107,583
Total assets	$ 25,271,142
Liabilities and Net Assets	
Accounts payable	$ 64,961
Accrued expenses	189,308
Security deposits	34,087
Prepaid rent	1,196
Grant received in advance	583,033
Total liabilities	872,585
Net assets	
Without donor restrictions	
Undesignated	16,008,003
Board designated endowment	1,473,572
Total without donor restrictions	17,481,575
With donor restrictions	6,916,982
Total net assets	24,398,557
Total liabilities and net assets	$ 25,271,142

The Notes to Combined Financial Statements are an integral part of this statement.

Interfaith Neighbors, Inc.
Combined Statement of Activities and Changes in Net Assets
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Donations and grants	$ 11,320,914	$ 1,336,981	$ 12,657,895
In kind services	360,820	-	360,820
Donated securities	-	758,278	758,278
Special events, gross revenues	178,924	-	178,924
Special events, expenses	(67,393)	-	(67,393)
Investment income	37,059	169,144	206,203
Realized and unrealized gain (losses) on marketable securities	44,944	(493,220)	(448,276)
Sale of assets available for sale, net of costs of sales	(603,091)	-	(603,091)
Rental income	192,223	-	192,223
Miscellaneous income	30,594	-	30,594
	11,494,994	1,771,183	13,266,177
Net assets released from restrictions			
Satisfaction of program restrictions	1,161,280	(1,161,280)	-
Total revenue and other support	12,656,274	609,903	13,266,177
Expenses			
Program services	5,829,074	-	5,829,074
Supporting services			
Management and general	325,328	-	325,328
Fundraising	196,763	-	196,763
Total expenses	6,351,165	-	6,351,165
Change in net assets	6,305,109	609,903	6,915,012
Net assets			
Beginning of year	11,176,466	6,307,079	17,483,545
End of year	$ 17,481,575	$ 6,916,982	$ 24,398,557

The Notes to Combined Financial Statements are an integral part of this statement.

Interfaith Neighbors, Inc.
Combined Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services				Supporting Services			
	Nutrition Program	Community Development Programs	Homeless Prevention Programs	Program Services Total	Management and General	Fundraising	Supporting Services Total	Total
Payroll	$ 803,932	$ 735,148	$ 243,858	$ 1,782,938	$ 167,616	$ 97,451	$ 265,067	$ 2,048,005
Payroll taxes	68,928	58,925	20,569	148,422	13,953	8,112	22,065	170,487
Payroll fringe	89,453	77,901	50,110	217,464	19,996	12,498	32,494	249,958
Assistance to clients	-	-	818,783	818,783	-	-	-	818,783
Program costs	1,658,227	415,729	72,143	2,146,099	-	-	-	2,146,099
Program rent	4,328	35,270	2,000	41,598	-	-	-	41,598
Rental units	-	7,936	-	7,936	-	-	-	7,936
Telephone and utilities	29,448	39,568	8,035	77,051	4,329	5,194	9,523	86,574
Office	50,529	28,468	20,842	99,839	11,648	31,985	43,633	143,472
Professional fees	-	22,000	105,458	127,458	81,162	-	81,162	208,620
Public relations	-	10,483	28,774	39,257	4,500	25,826	30,326	69,583
Education	-	4,865	-	4,865	2,732	-	2,732	7,597
Repairs and maintenance	9,039	44,858	4,916	58,813	9,142	9,142	18,284	77,097
Insurance	75,543	52,889	-	128,432	8,412	6,211	14,623	143,055
Depreciation	94,971	27,534	7,614	130,119	1,838	344	2,182	132,301
	$ 2,884,398	$ 1,561,574	$ 1,383,102	$ 5,829,074	$ 325,328	$ 196,763	$ 522,091	$ 6,351,165

The Notes to Combined Financial Statements are an integral part of this statement.

Interfaith Neighbors, Inc.
Combined Statement of Cash Flows
Year Ended December 31, 2022

Operating activities	
Change in net assets	$ 6,915,012
Adjustments to reconcile changes in net assets	
to net cash provided by operating activities	
Depreciation	132,301
Realized and unrealized losses on marketable securities - Non-Endowment Fund	323,962
Realized and unrealized losses on marketable securities - Endowment Fund	124,314
Donated securities	(758,278)
Loss on sale of assets held for sale	603,091
Change in operating assets and liabilities	
Contributions receivable	(103,224)
Grants receivable	(38,700)
Insurance claim receivable	84,863
Other receivables	(34,983)
Prepaid expenses	661
Other assets	1,229
Inventory	(20,309)
Accounts payable	(209,656)
Accrued expenses	96,555
Security deposits	1,919
Prepaid rent	(2,599)
Grant received in advance	414,500
Net cash provided by operating activities	7,530,658
Investing activities	
Purchases of property and equipment	(176,195)
Purchases of construction in progress	(481,121)
Purchases of assets held for sale	(1,663,990)
Proceeds from sale of assets held for sale	3,270,000
Sale of investments	555,016
Purchase of investments	(7,217,484)
Net cash used in investing activities	(5,713,774)
Financing activities	
Repayments of notes payable	(250,000)
Repayments of lines of credit	(900,000)
Net cash used in financing activities	(1,150,000)
Net change in cash and cash equivalents and restricted cash	666,884
Cash and cash equivalents and restricted cash	
Beginning of year	2,476,565
End of year	$ 3,143,449
Reconciliation of cash and cash equivalents and restricted cash	
Cash and cash equivalents	$ 2,982,107
Restricted cash - security deposits	34,087
Restricted cash - endowment fund - board designated	127,255
	$ 3,143,449

The Notes to Combined Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Organization is a nonprofit corporation which was formed in 1988. The Organization operates the Monmouth County nutrition program for senior citizens, a rental assistance program for working-poor families threatened with homelessness, and a community development program that includes: an affordable home construction program for low-income families, a neighborhood revitalization program, a business development center, workforce training programs and sustainable food and nutrition programs. The Organization is funded by government grants and donations from private donors and approximately 40 religious congregations of all denominations.

Principles of Combination

The combined financial statements include the accounts of Interfaith Neighbors, Inc. and its affiliate, 1201 Springwood Urban Renewal LLC. 1201 Springwood Urban Renewal LLC is a real estate holding company owned 100% by Interfaith Neighbors, Inc. The Organization and 1201 Springwood Urban Renewal LLC have common officers and trustees. All material inter-organization transactions have been eliminated in the combination.

Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its combined financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations 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.

The Board of Trustees has designated, from net assets without donor restrictions, net assets for a board-designated endowment. Net assets with donor restrictions are subject to donor-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, such as those that the donor stipulates that resources be maintained in perpetuity.

Use of Estimates
The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the combined financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash Equivalents
For purposes of the combined statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash
Restricted cash are resources that are limited as to use based on upon donor restrictions, contractual agreements, or designations by the Board of Trustees. Restricted cash and cash equivalents are measured at fair value in the accompanying combined statement of financial position.

Contributions Receivable
Contributions receivable, including unconditional promises to give, are recognized in the period the contribution or promise is made. Conditional promises to give are not recognized until they become unconditional, that is when the conditions are substantially met. Unconditional promises to give expected to be collected in future years are recorded at the present value of expected future cash flows discounted at the risk free rate. Amortization of the discounts is included in contribution revenue. Management believes all amounts are fully collectible and has not established an allowance.

Contributions, Grants and Other Receivables
Contributions, grants and other receivables are stated at the amount management expects to collect from outstanding balances. At December 31, 2022, there was no allowance for credit losses. As of January 1, 2022, contributions, grants and other receivables were $5,541,688.

Revenue and Support Recognition
The Organization’s ability to collect revenue is affected by a variety of factors, including general economic conditions and each funder’s combined financial capacity.

Contributions are recognized as revenue when they are received or unconditionally promised to give and recorded as support with or without donor restrictions according to donor stipulations that limit the use of the assets due to time or purpose restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions are substantially met. The cash flows for long-term promises to give are discounted at a discount rate commensurate with the risks involved. Amortization of the discount is included in grants, contracts, and contributions revenue. At December 31, 2022, the Organization has recorded a net present value adjustment against long-term promises to give of $221,213 in the accompanying combined statement of financial position.

The Organization accounts for fee for service revenue and grants from governmental agencies and other third-party grants and contracts as either contribution transactions or exchange transactions in the combined statement of activities and changes in net assets. Revenue is recognized as an exchange transaction under fee-for-service contracts based on the level of service provided (the performance obligation) multiplied by the contracted reimbursement rate for a unit of service and is recognized over time as services are provided. Reimbursement of expenses under cost-reimbursement contracts is recognized as a contribution transaction.

Revenue is recognized to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each program are used as guidance.

The Organization recognizes revenue for exchange transactions associated with the sale of homes at the point in time that the title to the home is transferred. Revenue is recognized based on the contract price for the individual home sale. Revenue for sale of homes is reported in the combined statement of activities and changes in net assets net of the associated cost of the home and selling costs. The Organization receives payment at the time title is transferred and does not provide any financing.

Unexpected contract funds would be recorded as grants received in advance in the combined statement of financial position. Funds received in advance of their use would be accounted for as a liability in the combined statement of financial position. At December 31, 2022, the grant received in advance was $583,033.

Rental income is recognized for apartment rentals as it accrues. All leases between the Organization and tenants are operating leases. The Organization rents residential real estate on annual leases.

Special event revenues are collected in advance of the events and are recognized as the events occur. The Organization typically satisfies its performance obligation on the date of the special event.

Other revenues without donor restrictions are obtained from miscellaneous income. These revenues are not restricted in their use and are used to offset program and general and administrative expenses which are not funded by contract budgets. Revenue from these sources is recognized when earned.

In-Kind Contributions
In-kind services and other non-combined financial assets are reflected upon receipt and are recorded at fair value as contribution income and an expense. Services are recorded to the extent that the Organization would have been required to pay for the services.

Several Nutrition Program grants require the Organization to report the value of volunteer labor donated for meal distribution. Accordingly, the in-kind services have been estimated at approximately 18,000 hours in 2022. Using an estimated value for volunteer time of $20.00 per hour as agreed upon with Monmouth County, the Organization estimated the value of the in-kind services at approximately $360,000. There are no donor restrictions associated with these contributions.

Inventory
Inventory consists of food and supplies for the nutrition program. Inventory is stated at the lower of cost or net realizable value, using the first-in, first-out (FIFO) method.

Construction in Progress
Construction in progress relates to the construction of the Early Childhood Learning Center. As of December 31, 2022, the Organization had costs of $524,023 related to the construction of the Early Childhood Learning Center.

Assets Held for Sale
Assets held for sale include property, predevelopment, capitalized interest, and certain costs applicable to specific projects. Assets held for sale are stated at cost and not depreciated. Upon completion of a project, the project will be sold with the proceeds recognized as revenue at the time of sale.

The Organization capitalizes interest costs incurred while a qualifying asset is being prepared for its intended use. The capitalization period shall begin when the following three conditions are present: (i) expenditures for the asset have been made, (ii) activities that are necessary to get the asset ready for its intended use are in progress, and (iii) the interest cost is being incurred. Interest capitalization shall continue as long as these three conditions exist. The capitalization period shall end when the asset is substantially complete and ready for its intended use. Other costs directly incurred that are directly associated with a real estate project shall also be capitalized as assets held for sale only during the capitalization period described above. Costs incurred for such items after the project is substantially complete and ready for its intended use shall be charged to expense as incurred. As of December 31, 2022, the Organization had assets held for sale of $2,142,259, relating to house and house under construction in the Parkview complex that are being built by the Organization.

Property and Equipment
Property and equipment are carried at cost. Depreciation is computed using the straight-line and declining balance methods over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense, as incurred.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Investments
The Organization's investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statement of financial position. Investments are initially recorded at cost or if donated, the fair market value at the date of gift and adjusted to market value at the end of the reporting period. These investments are subject to various risks such as interest rate, market and credit risks. Due to the level of risks associated with certain investments, it is at least reasonably possible that changes in fair value of investments will occur in the near term and that such changes could materially affect the amounts reported on the combined statement of financial position.

Investment income and unrealized gains and losses are included in changes in net assets without donor restrictions in the accompanying combined statement of activities and changes in net assets unless limited by law or regulation. Purchases and sales of investments are reflected on the trade-date basis. Gains and losses on securities are based on average cost and are recorded in the combined statement of activities and changes in net assets in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date. For the year ended December 31, 2022, the Organization incurred investment expenses of $7,530 which is reflected in investment income on the consolidated statement of activities and changes in net assets.

Advertising
All advertising costs are expensed in the period they are incurred. For the year ended December 31, 2022, the Organization had no advertising expense.

Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the combined statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to the programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization evaluates its uncertain tax positions and accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the combined financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of December 31, 2022, the Organization recognized no liability on uncertain tax positions.

New Accounting Pronouncement Adopted

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The standard is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The new guidance requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the combined statement of activities and changes in net assets, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization adopted the requirement of the new guidance on a full retrospective method of transition.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires the Organization to recognize a “right-of-use” asset and a corresponding lease liability initially measured at the present value of the lease payments on the combined statement of financial position for all of the Organization’s lease obligations, except for certain leases classified as short-term leases. The Organization adopted the new standard effective January 1, 2022, using the modified retrospective approach. The adoption of this standard did not have an impact on the combined financial statements because the Organization did not have any long-term leases during the year ended December 31, 2022.

New Accounting Pronouncement Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, which addresses the accounting for financial instruments and is effective for the Organization for the annual period beginning January 1, 2023. This ASU requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts.

The Organization is currently evaluating the effect that this pronouncement will have on its combined financial statements and related disclosures.

2. CONTRIBUTIONS RECEIVABLE

The Organization recognizes contributions receivable for written pledges made to the Organization. As of December 31, 2022, contributions receivable were $4,968,622, and are expected to be collected in the following manner:

Less than one year	$ 1,885,455
One to five years	3,304,380
	5,189,835
Less: Unamortized discount	(221,213)
	$ 4,968,622

The Organization utilized a discount rate used of 4.5% associated with contributions receivable.

3. PROPERTY, BUILDINGS, AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2022:

Land	$ 1,538,228
Buildings	3,112,209
Leasehold improvements	415,036
Furniture and fixtures	188,659
Equipment	774,852
	6,028,984
Less: Accumulated depreciation	(1,383,388)
	$ 4,645,596

For the year ended December 31, 2022, depreciation expense was $132,301.

4. INVESTMENTS

Investments, carried at fair value, are as follows at December 31, 2022:

Equity	$ 8,433,483
Mutual funds	80,793
Corporate bonds	234,294
Government and agency bonds	392,032
	$ 9,140,602

The composition of investment return, net in the accompanying combined statements of activities and changes in net assets for the year ended December 31, 2022, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 37,059	$ 169,144	$ 206,203
Realized and unrealized gains (losses)	44,944	(493,220)	(448,276)
Net investment income (loss)	$ 82,003	$ (324,076)	$ (242,073)

5. FAIR VALUE MEASUREMENTS

The Organization has adopted the accounting pronouncement, *Fair Value Measurements* with respect to its combined financial assets and liabilities. *Fair Value Measurements* defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under *Fair Value Measurements* as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under *Fair Value Measurements* must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In accordance with *Fair Value Measurements*, the following tables represent the Organization's fair value hierarchy for its financial assets measured on a recurring basis as of December 31, 2022:

	Fair Value Measurements Using			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments				
Equity				
Utilities	$ 1,515,415	$ -	$ -	$ 1,515,415
Services	30,086	-	-	30,086
Financial	3,345,008	-	-	3,345,008
Technology	1,073,973	-	-	1,073,973
Consumer goods	426,934	-	-	426,934
Healthcare/drugs	1,575,319	-	-	1,575,319
Industrial	466,748	-	-	466,748
	8,433,483	-	-	8,433,483
Mutual funds	80,793	-	-	80,793
Corporate bonds				
Utilities	-	30,414	-	30,414
Services	-	13,881		13,881
Financial	-	97,094		97,094
Technology	-	22,278	-	22,278
Consumer goods	-	52,510	-	52,510
Healthcare/drugs	-	18,117	-	18,117
	-	234,294	-	234,294
Government and agency bonds				
U.S. Treasury bonds	-	392,032	-	392,032
	$ 8,514,276	$ 626,326	$ -	$ 9,140,602

6. SPRINGWOOD CENTER BUILDING

In 2012, the Organization completed construction on the Springwood Center, a 27,000 square foot three story mixed-use building, in Asbury Park, New Jersey. The building has four commercial units on the first floor. The second floor is home for the Asbury Park Senior Center, and the third floor consists of eight units of affordable rental housing. In April 2013, the Organization sold approximately 41% of the building to the City of Asbury Park at cost for $2,998,733, that includes one unit on the first floor, and the entire second floor. In 2013, Interfaith Neighbors, Inc. transferred its 59% ownership of the building to 1201 Springwood Urban Renewal LLC which is combined in the combined financial statements, which includes the third-floor affordable housing units, and the remaining three units on the first floor. All affordable housing units were rented as of December 31, 2022.

7. LINES OF CREDIT

The Organization has a $500,000 line of credit with PNC Bank, under which $-0- was outstanding as of December 31, 2022. The line of credit expired subsequent to year-end in August 2023. The rate is at the bank's prime rate plus 1%. Interest paid for the year ended December 31, 2022 was $2,928, which was capitalized.

The Organization has a $500,000 line of credit with Kearny Bank, under which $-0- was outstanding as of December 31, 2022. The line of credit is due to expire October 2023. The rate is at the highest Prime Rate published in the Eastern Edition of *The Wall Street Journal* plus 0.25%. Interest paid for the year ended December 31, 2022 was $2,625, which was capitalized.

8. NET ASSETS WITH DONOR RESTRICTIONS

Components of net assets with donor restrictions as of December 31, 2022 are as follows:

	Net Assets With Donor Restrictions Beginning of Year	Restricted Donations and Endowment Earnings Received During the Year	Restrictions Satisfied By Payments	Net Assets With Donor Restrictions End of Year
Community Development	$ 102,500	$ 953,739	$ (864,331)	191,908
Nutrition	104,132	25,941	(130,073)	-
Capital Campaign	5,769,987	720,454	(85,658)	6,404,783
Homeless Prevention	80,378	840	(81,218)	-
Homeless Prevention - Endowment	250,082	70,209	-	320,291
	$ 6,307,079	$ 1,771,183	$ (1,161,280)	$ 6,916,982

In 2021, the Organization embarked on a capital campaign to raise $18,000,000 for the construction and operation of the Early Childhood Learning Center ($3,000,000), construction of the Marmora Center ($14,500,000), and an expansion of the Kula Urban Farm ($500,000). For the year ended December 31, 2022, the Organization received $604,300 in donations for the capital campaign. As of December 31, 2022, the Organization has recorded $4,968,622 in restricted donations as the net present value of contributions receivable for the capital campaign.

9. NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board of Trustees has designated $1,400,000 of net assets without donor restrictions as a general endowment fund to support the mission of the Organization. Investment appreciation (depreciation) and earnings for the year ended December 31, 2022 totaled $(36,630). The value of the donor restricted endowment at December 31, 2022 was $1,473,572. Since this endowment resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

10. ENDOWMENTS

The Organization's endowment consists of a donor-restricted fund and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment Return Objectives - The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets. The investment policies are for the conservation of principal, to generate regular income at a reasonable rate of return, for income and growth of principal as reasonably and safely as practical, and to be in accordance with the social principles and mission of the Organization.

Spending Policy - The Organization's Investment Committee shall determine within 45 days of the endowment fund's fiscal year end (December 31) the annual net total return from all endowment fund assets. Thereafter, the pro-rata percentage of the annual income attributable to gifts with donor restrictions shall be segregated from the full annual income and thereafter made available and distributed as requested by the initial donors.

Endowment net asset composition by type of fund as of December 31, 2022 is as follows:

Endowment funds with donor restrictions	$ 237,243
Board-designated endowment funds without donor restrictions	1,473,572
Total endowment funds	$ 1,710,815

Changes in endowment net assets as of December 31, 2022 are as follows:

	Without Donor Restrictions Board Designated	With Donor Restrictions	Total
Endowment net assets, December 31, 2021	$ 510,203	$ 250,082	$ 760,285
Investment return			
Investment income	109,954	53,023	162,977
Net depreciation of investments - realized and unrealized	(146,585)	(65,862)	(212,447)
Total investment return	(36,631)	(12,839)	(49,470)
Contributions	1,000,000	-	1,000,000
Appropriated for expenditure	-	-	-
Endowment net assets, December 31, 2022	$ 1,473,572	$ 237,243	$ 1,710,815

11. LIQUIDITY

As part of the Organization's liquidity management, the Organization structures its financial assets to be available as general expenditures and liabilities become due.

The following reflects the Organization's financial assets as December 31, 2022, reduced by amounts not available for general use because of contractual, donor-imposed or board-imposed designations within one year:

Cash and cash equivalents	$ 2,982,107
Restricted cash - security deposits	34,087
Restricted cash - endowment fund - board designated	127,255
Contributions receivable	4,968,622
Grants receivable	628,768
Other receivables	36,342
Investments	9,140,602
Total assets	17,917,783
Less:	
Endowment fund (with donor restrictions)	237,243
Endowment fund (without donor restrictions)	1,473,572
Restricted cash - security deposits	34,087
With donor restrictions but not endowed	5,443,410
Financial assets that are available within one year	$ 10,729,471

12. SUPPLEMENT CASH FLOW INFORMATION

For the year ended December 31, 2022, the Organization had no payments for taxes and $9,590 for interest expense.

13. QUALIFIED DEFERRED COMPENSATION PLAN

The Organization maintains a qualified deferred compensation plan under section 401(k) of the Internal Revenue Code. Under the plan, employees may elect to defer salary, subject to the Internal Revenue Service limits. The plan provides for the Organization to match 75% of employees' contributions up to 5% of salary. The Organization's contribution was $26,491 in 2022.

14. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash, investments, contributions receivable and grants receivable.

The Organization has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of $250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial position, results of its, and cash flows.

The Organization's investments are composed of a variety of financial instruments and are managed by investment advisors. The fair values reported in the combined statement of financial position are subject to various risks and changes in the equity and debt markets, the interest rate environment, and general economic conditions. Due to the level of risk with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonable that the amounts in the accompanying combined statement of financial position could change materiality in the near term.

There was one contributor and one granting agency that accounted for approximately 51% of total revenue in the combined statement of activities and changes in net assets. There were five contributors who accounted for approximately 93% of contributions receivable at December 31, 2022. There were two granting agencies who accounting for approximately 65% of grants receivable at December 31, 2022.

15. CONTINGENCIES

The Organization is involved in legal proceedings arising in the ordinary course of business. The Organization maintains liability on a claims-made basis through a commercial insurance carrier. In the opinion of management, although the outcome of any legal proceedings cannot be predicted, the ultimate liability of the Organization, net of any insurance proceeds, would not have a material adverse effect on the financial position or activities of the Organization.

Financial awards from federal, state and county government entities in the form of grants may be subject to additional audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

16. GIFTS-IN-KIND

The Organization periodically receives gifts-in-kind ("GIK") from various vendors or donors in connection with its special events. GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon estimates of fair market values that would be received for the goods, services, or use of facilities considering their condition and utility for use at the time the goods, services, or use of facilities are contributed by the donor or vendor.

Fair value of services	$ 360,820
Fair value of donated securities	758,278
	$ 1,119,098

17. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 28, 2023, which is the date the combined financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the combined financial statements were identified by management.

SUPPLEMENTARY INFORMATION

Interfaith Neighbors, Inc.
Schedule of Expenditures of Federal, State and County Awards
Year Ended December 31, 2022

Federal Grantor/Program Title/Grant Name	Assistance Listing Number	Pass-Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services				
Pass-through Monmouth County Department of Human Services				
Aging Cluster	93.045	N/A	$ -	$ 1,528,379
Total U.S. Department of Health and Human Services			-	1,528,379
U.S. Department of Homeland Security				
Pass-through United Way				
Emergency Food and Shelter National Board Program	97.024	N/A	-	120,115
Total U.S. Department of Homeland Security			-	120,115
U.S. Department of Housing and Urban Development				
Pass-through Monmouth County Office of Community Development				
Block Grants for Emergency Solutions Grants Program	14.231	N/A	-	181,895
Total U.S. Department of Housing and Urban Development			-	181,895
U.S. Department of the Treasury				
Pass-through Monmouth County Department of Finance				
Block Grants for Emergency Rental Assistance Program	21.023	N/A	-	307,040
Pass-through Monmouth County Department of Finance				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	189,960
Total U.S. Department of the Treasury			-	497,000
Total Expenditures of Federal Awards				$ 2,327,389

See Independent Auditor's Report.
The accompanying Notes to the Schedule of Expenditures of Federal, State and County Awards

Interfaith Neighbors, Inc.
Schedule of Expenditures of Federal, State and County Awards
Year Ended December 31, 2022

State Grantor/Pass-through Grantor/Program	Pass-Through Grantor's Number	Contract Number	Award/Contract Period	Award/Contract Amount	Amounts Provided to Subrecipients	Grant Expenditures
State of New Jersey - State Awards						
NJ Division of Senior Affairs						
Home Delivered Meals	N/A	13-060	01/01/2022 - 12/31/2022	$ 236,910	$ -	$ 236,910
Total NJ Division of Senior Affairs					-	236,910
NJ Department of Community Affairs						
Meals on Wheels	N/A	2023-05195-007-00	01/01/2022 - 12/31/2022	25,000	-	25,000
Temporary Assistance for Needy Families	N/A	2019-02150-0595-05	01/01/2022 - 12/31/2022	69,716	-	69,716
Neighborhood Revitalization Tax Credit Project IX	N/A	2015-02240-0232-00	01/01/2022 - 12/31/2022	48,485	-	48,485
Total NJ Department of Community Affairs					-	143,201
NJ Department of Human Services						
Temporary Assistance for Needy Families	N/A	CC-1-20118	01/01/2022 - 12/31/2022	286,448	-	286,448
Total NJ Department of Human Services					-	286,448
Total Expenditures of State Awards					$ -	$ 666,559
County of Monmouth - County Awards						
Monmouth County Department of Human Services						
Home Delivered Meals	N/A	13-060	01/01/2022 - 12/31/2022	372,855	-	372,855
Total Monmouth County Department of Human Services					-	372,855
Total Expenditures of County Awards					$ -	$ 372,855
Total Expenditures of Awards					$ -	$ 3,366,803

See Independent Auditor's Report.
The accompanying Notes to the Schedule of Expenditures of Federal, State and County Awards

1. GENERAL INFORMATION

The accompanying schedule of expenditures of federal, state, and county awards presents the activities in all the federal, state, and county awards of Interfaith Neighbors, Inc. ("the Organization") for the year ended December 31, 2022. All financial assistance received directly from federal, state, and county agencies, as well as financial assistance passed through governmental agencies or nonprofit organizations, is included on the schedule.

2. BASIS OF ACCOUNTING

Federal, state, and county expenditures are reported on the combined statement of activities and changes in net assets as program services and general and administrative. In certain programs, the expenditures reported in the combined financial statements may differ from the expenditures reported in the schedule of expenditures of federal, state, and county awards due to program expenditures exceeding grant or contract budget limitations or capitalization policies required by accounting principles generally accepted in the United States of America, which are not included as federal, state, and county awards. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to federal, state, county, and other funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. INDIRECT COST RATE

The Organization has elected to receive the 10% de minimis indirect cost rate pursuant to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

4. NONCASH ASSISTANCE

The Organization did not receive any federal noncash assistance for the year ended December 31, 2022.

withum ADVISORY TAX AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Interfaith Neighbors, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Interfaith Neighbors, Inc., (a not-for-profit organization) which are comprised of the combined statement of financial position as of December 31, 2022, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated September 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Interfaith Neighbors, Inc. internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Interfaith Neighbors, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Interfaith Neighbors, Inc.'s internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Interfaith Neighbors, Inc. combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WithumSmith+Brown, PC

September 28, 2023

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ADVISORY TAX AUDIT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors of
Interfaith Neighbors, Inc.:

Report on Compliance for Each Major Federal Programs

Opinion on Each Major Federal Programs

We have audited Interfaith Neighbors, Inc.'s, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Interfaith Neighbors, Inc.'s major federal programs for the year ended December 31, 2022. Interfaith Neighbors, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Interfaith Neighbors, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Interfaith Neighbors, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Interfaith Neighbors, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referenced above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Interfaith Neighbors, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Interfaith Neighbors, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Interfaith Neighbors, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Interfaith Neighbors, Inc.'s compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Interfaith Neighbors, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Interfaith Neighbors, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, that planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing, based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

WithumSmith+Brown, PC

September 28, 2023

Interfaith Neighbors, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section 1 – Summary of Auditor's Results

Combined financial Statements

Type of auditor's report issued on whether the combined financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to combined financial statements noted?	No

Federal Awards

Internal control over the major program:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for the major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.15(a)?	No

The following Federal programs were designated as a major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.231	Block Grants for Emergency Solutions Grants Program
21.023	Block Grants for Emergency Rental Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section 2 – Combined Financial Statement Findings

None reported.

Section 3 – Federal Award Findings and Questioned Costs

None reported.

Section 4 – Follow-Up of Prior Year Audit Findings

None reported.