



Board Meeting Packet

January 2026

Interfaith Housing Alliance





Celebrating
35 Years
OF AFFORDABLE
HOUSING CREATION

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IHA Board of Directors Meeting Agenda

Thursday, January 22, 2026, at 4:00 PM

Teams Meeting Check Meeting Invitation



Welcome - Consent Agenda Approval - **Voting**

Consent Agenda Items:

- Agenda
- Operational Reports
- Meeting Minutes December 2025



Board Business:

ALL DISCUSS

- | | |
|--|--------------|
| • John Maneval from Oculus progress update | All |
| • Financial Reports & Forecasting | Chris & Anna |
| • IHA year end Audit | Chris & Anna |
| • CEO Search planning | All |
| • Board Member Reinstatement | All |
| • Yasshree Patel (Sweety) | |

Next meeting: February 19, 2026, 4:00pm

Attendees: Jodie Ostoich (JO), Anna Rina (AR), Patricia Galloway (PG), Chris Hessen(CH), Eric Soter(ES), Dan Ebersole (DE), ~~Sawety Patel (SP), Wakeena Jackson, Evan Owens (EO),~~

NOTE: *Within the minutes Motions and Actions will be generally noted by the board/staff members initials, if a “/” follows that means the member seconded the motion, or supported the action.*

Meeting Called to Order @ 4:04 p.m. via Zoom

I. Welcome - Consent Agenda Approved

Consent Agenda Items APPROVED: Agenda, Operational Reports, Meeting Minutes ES/CH

Board Business: ALL DISCUSS

II. **Financial Reports and Forecasting – Chris/Anna**

- Reviewed Financials and Forecasts
- Discussed various solutions involving programmatic and other reductions and cost cutting measures
- Discussed intention to be an interim budget with or without adjusting formal budget. Or just direction to the workout plan.
- Discussed other reductions in Property Maintenance.
- 2 properties in Allegheny county already reduced from 5 to 4 days /week
- Further reduced operational expense but can still earn the mngmt fees.
- Crystal is regional property manager and we wont have enough properties to have her supervise
- Investor approved new loan with WSTH so this is moving and time is right to move crystal.
- What PM changes to minimize the total hours forecasted.
- Financial bootcamp and credit café have value and need to be considered.
- If homeownerships program is not function is the programs not as valuable. Jodie provided feedback that they are still valuable
- Struggle to get rid of Credit Café, and grant writer. Third Part resource for writing grants could be a future option.
- Is there other duties grant writer can pick up that is being dropped off.
- We need to begin to evaluate if these programs pay for themselves....
- If you need to go lean, do so by programs, reduction in hours as last resort
- Anna will come back with Programs Reductions and RIFS and then Reduction in Hours scenarios for Board consideration.
- Ended 4:47 p.m.

DRAFT

III. Closed Board Session (ALL)

- Anna Exits
- Jodie discussed her primary tasks, working with Faith Based Task Force, and noting the Church closing in 6 months, deeding property to IHA may be on the table
- To active congregations goals on property, they would rent back.
- Peace and Christ church discovery Jodie will continue to pursue.
- Discussed a number of issues assume housing development won't go away. But we are not in position to take on new debt obligations.
- Status of Robinwood property discussed briefly.
- Dan left around 5:10.

- John Maneval consulted about what happens if IHA doesn't exist. Our governing documents say what the exit strategies say, and there are outs ..
- Lets make good plans for not just shutting the door and keeping hanging on. Discussed beginning the need for a wind down plan.
- John can't work a lot of hours for free...he is a good person to engage and help introduce us to buyers and state agency people.
- We owe him a dossier and interest. Were in other partnerships. What is to look like the exit thoughts, many are aged partnerships.
- There are windows for exiting. Would we divest ourselves to only non profits or for profits as his suggestion.
- Jodie met with Ausherman family foundation, sobering conversations. Not sure if we will have their match for annual campaign, Cash run out does not include Ausherman or end of year campaign.
- Had discussion around being difficult to ask for money at this time, although ours is not an expense issue, but it's a revenue issue. The revenue streams have all but disappeared.
- To that end we need staff to focus on end of year campaign.
 - i. Innovative, plastech, credit union and former board member, raise \$14,500K
 - ii. Tax credits have not come through to date.
 - iii. If Ausherman doesn't come through with matching grants, sponsorships it will be difficult.
 - iv. Discussed and directed to reduce the printed materials and send out via emails...

November 20th is next meeting. November 20th 4:00 p.m.

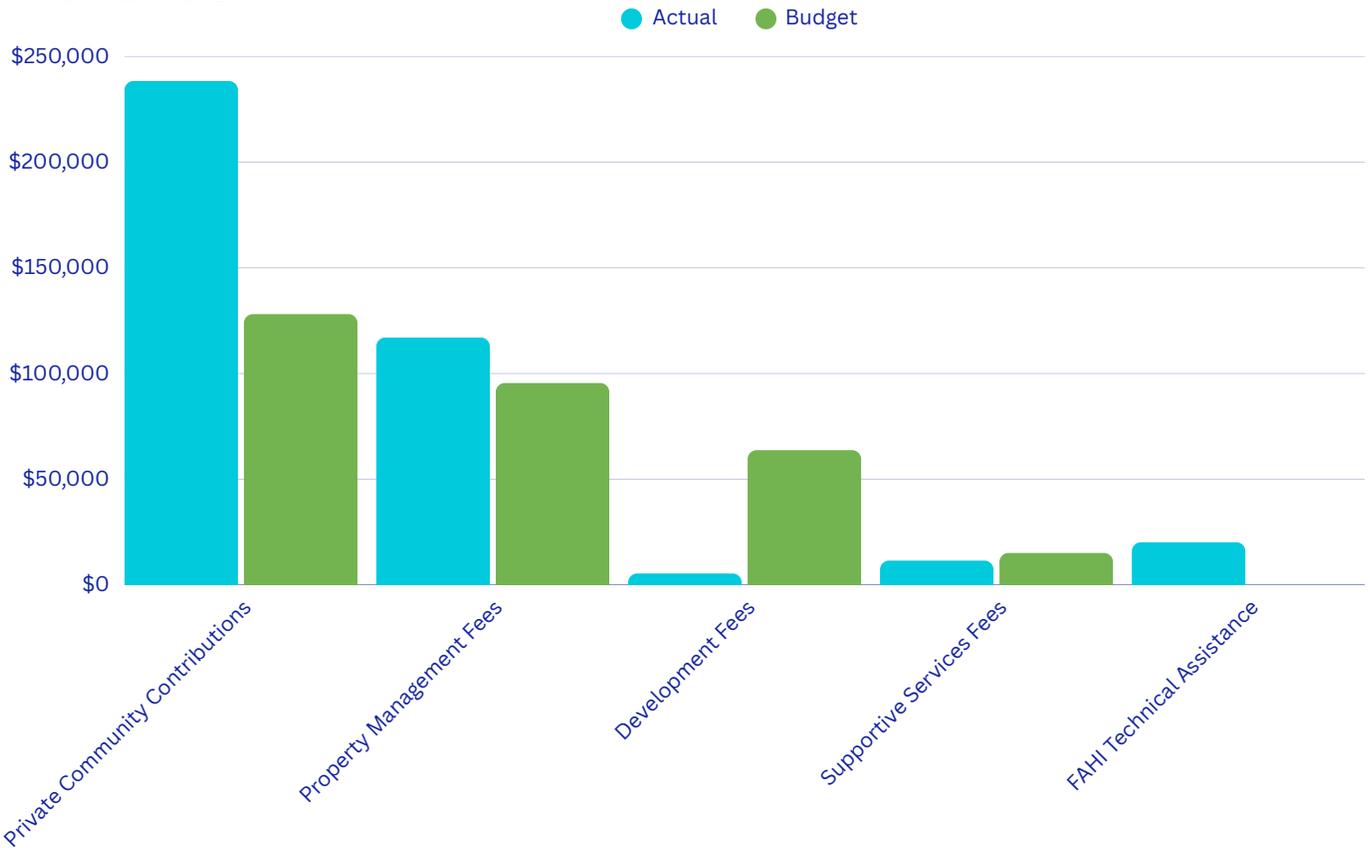
This meeting ended at 5:27 pm. ES/CH

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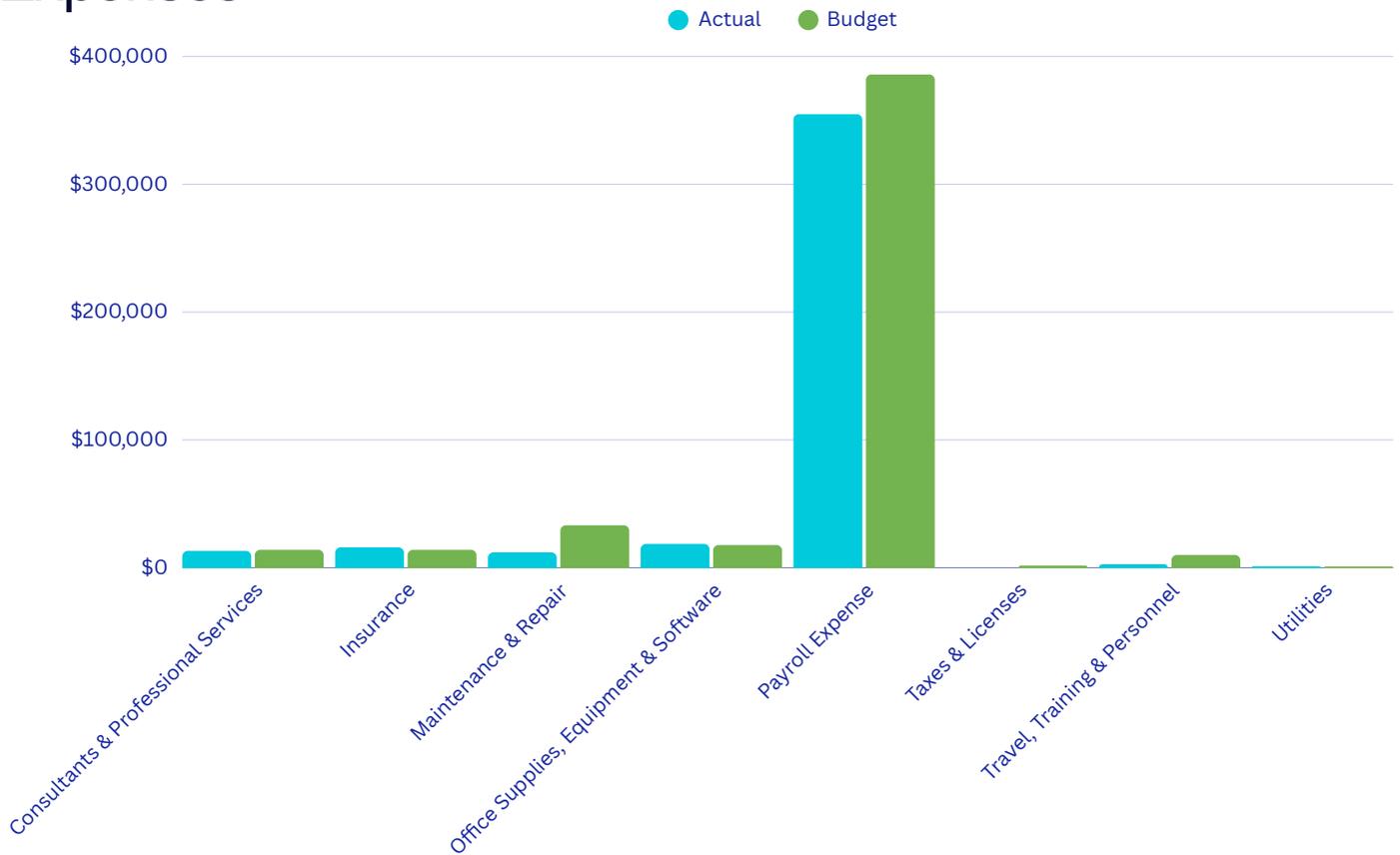
Statement of Financials

	November 30, 2025	December 31, 2025
ASSETS		
Current Assets:		
• Total Bank Accounts	\$105,079.95	\$126,214.24
• Total Accounts Receivable:	\$1,028,427.14	\$1,418,817.29
• Total Current Assets:	\$1,148,474.51	\$1,560,457.17
• Total Fixed Assets:	\$4,719.93	\$4,719.93
TOTAL ASSETS:	\$1,153,194.44	\$1,565,177.10
LIABILITIES AND EQUITY		
Liabilities:		
• Total Current Liabilities:	\$445,304.58	\$438,032.57
• Total Long-Term Liabilities:	\$584,270.60	\$581,814.25
TOTAL LIABILITIES:	\$1,029,575.18	\$1,019,846.82
Equities:	\$123,619.26	\$545,330.28
• Total Equity:	\$123,619.26	\$545,330.28
TOTAL EQUITIES:		
TOTAL LIABILITIES & EQUITY:	\$1,153,194.44	\$1,565,177.10

Revenue



Expenses



Management Report

Interfaith Housing Alliance, Inc. For the
period ended December 31, 2025



Prepared by

Director of Finance

Prepared on

January 16, 2026

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Statement of Activity YTD Comparison_updated COMP4

Budget v Actual FY 20256

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Interfaith Housing Alliance, Inc.
Statement of Financial Position
As of December 31, 2025

	Total		
	As of Dec 31, 2025	As of Nov 30, 2025	Change
ASSETS			
Current Assets			
Bank Accounts			
10101 IHA - Operating Checking *NEW	125,714.35	104,580.19	21,134.16
10600 M&T PRP Grant Checking	499.89	499.76	0.13
Total Bank Accounts	\$ 126,214.24	\$ 105,079.95	\$ 21,134.29
Accounts Receivable			
11200 Accounts Receivable (A/R)-Govt Grant (USDA/N Odenton)	8,665.63	16,090.19	-7,424.56
11300 Accounts Receivable (A/R)-Other	16,000.00	6,000.00	10,000.00
11400 Accounts Receivable (A/R)- Supportive Services Conifer	5,369.64	5,345.50	24.14
11450 Accounts Receivable Molly Pitcher Landing			0.00
11600 Accounts Receivable (A/R)-Intercompany Due	59,041.56	71,250.49	-12,208.93
11725 Note Receivable N Odenton Assoc LLC (Weinberg)	829,750.00	829,750.00	0.00
11800 Hampstead Partnership Loan	500,000.00	500,000.00	0.00
11900 Accounts Receivable- PRP	-9.54	-9.54	0.00
11000 Accounts Receivable (A/R)			0.00
Total Accounts Receivable	\$ 1,418,817.29	\$ 1,428,426.64	-\$ 9,609.35
Other Current Assets			
13000 Prepaid Expenses	14,885.83	14,427.61	458.22
14200 Security Deposits Paid	539.81	539.81	0.00
Total Other Current Assets	\$ 15,425.64	\$ 14,967.42	\$ 458.22
Total Current Assets	\$ 1,560,457.17	\$ 1,548,474.01	\$ 11,983.16
Fixed Assets			
15000 Fixed Assets	17,193.93	17,193.93	0.00
16000 Accumulated Depreciation	-12,474.00	-12,474.00	0.00
Total Fixed Assets	\$ 4,719.93	\$ 4,719.93	\$ 0.00
TOTAL ASSETS	\$ 1,565,177.10	\$ 1,553,193.94	\$ 11,983.16
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Credit Cards			
10850 MandT Credit Card NEW	4,927.30	12,030.76	-7,103.46
Total Credit Cards	\$ 4,927.30	\$ 12,030.76	-\$ 7,103.46
Other Current Liabilities			
20200 Health Insurance Payable	2,739.86	2,908.44	-168.58
20300 HSA Payable	615.38	615.38	0.00
20500 Payroll Tax Payable	0.03	0.00	0.03
23025 Deferred Grant N. Odenton (Weinberg)	429,750.00	429,750.00	0.00
Total Other Current Liabilities	\$ 433,105.27	\$ 433,273.82	-\$ 168.55
Total Current Liabilities	\$ 438,032.57	\$ 445,304.58	-\$ 7,272.01
Long-Term Liabilities			
24000 Mortgages & Notes Payable	530,381.00	532,837.35	-2,456.35
24660 M&T LOC	51,433.25	51,433.25	0.00
Total Long-Term Liabilities	\$ 581,814.25	\$ 584,270.60	-\$ 2,456.35
Total Liabilities	\$ 1,019,846.82	\$ 1,029,575.18	-\$ 9,728.36
Equity			
30000 Opening Balance Equity	-287,965.38	-287,965.38	0.00
32000 General Equity	49,316.99	49,316.99	0.00
33000 Retained Earnings	798,132.74	798,132.74	0.00
34000 Donor Restricted Net Assets	7,273.84	7,273.84	0.00
Net Revenue	-21,427.91	-43,139.43	21,711.52
Total Equity	\$ 545,330.28	\$ 523,618.76	\$ 21,711.52
TOTAL LIABILITIES AND EQUITY	\$ 1,565,177.10	\$ 1,553,193.94	\$ 11,983.16

FAHI invoice for Jodie's
hrs Oct - Dec

Interfaith Housing Alliance, Inc.
Statement of Activity YTD Comparison
December 2025

	Total			Comments
	Dec 2025	Nov-25	Change	
Revenue				
41000 Government Grants	1,102.62	7,563.01	-6,460.39	
42000 Private Community Contributions			0.00	
42200 Civic Groups	1,500.00		1,500.00	
42300 Corporate Contributions	10,000.00		10,000.00	Plastech Services
42400 Individual Contributions	40,805.80	80.80	40,725.00	J.Dunn \$2k , J. Nicholson \$5k, Mary Howell \$32k
42500 Private Foundation Grants	20,145.20	1,000.00	19,145.20	Delaplaine
Total 42000 Private Community Contributions	\$ 72,451.00	\$ 1,080.80	\$ 71,370.20	
43000 Property Management Fees	15,418.85	14,609.79	809.06	
43100 Development Fees			0.00	
43200 Supportive Services Fees	2,336.17	1,421.12	915.05	
43300 FAHI Technical Assistance	10,000.00		10,000.00	FAHI Invoice for Jodie's hrs Oct - Dec
Total Revenue	\$ 101,308.64	\$ 24,674.72	\$ 76,633.92	
Gross Profit	\$ 101,308.64	\$ 24,674.72	\$ 76,633.92	
Expenditures				
51000 Accounting & Auditing	10,000.00	8,575.00	1,425.00	
52000 Advertising & Marketing	67.18	293.76	-226.58	
54000 Bank/Credit Card Charges	154.94	220.72	-65.78	
55000 Consultants & Professional Services			0.00	
55100 Business Consulting Services	1,375.00	1,225.00	150.00	
55200 Professional Payroll processing services	754.75	515.37	239.38	
Total 55000 Consultants & Professional Services	\$ 2,129.75	\$ 1,740.37	\$ 389.38	
56000 Dues & subscriptions	244.48	103.00	141.48	
57000 Insurance			0.00	
57100 Director's and Officer's	685.09	684.09	1.00	
57200 Property and Liability	2,058.80	2,058.80	0.00	
57300 Workers Compensation	235.00	-93.81	328.81	
Total 57000 Insurance	\$ 2,978.89	\$ 2,649.08	\$ 329.81	
58000 Interest Paid	454.21	502.27	-48.06	
60000 Maintenance & Repair			0.00	
60100 Cleaning & Janitorial		6,000.00	-6,000.00	
60300 Grounds Maintenance			0.00	
60500 Tools & Supply Purchases		27.00	-27.00	
Total 60000 Maintenance & Repair	\$ 0.00	\$ 6,027.00	-\$ 6,027.00	

	Total			Comments
	Dec 2025	Nov-25	Change	
62000 Office Supplies, Equipment & Software	9.00	18.00	-9.00	
62100 Computer Software purchases	742.62	2,252.62	-1,510.00	
62200 IT Computer Support	1,238.83	1,541.21	-302.38	
62400 Office Supplies	529.47	381.00	148.47	
Total 62000 Office Supplies, Equipment & Software	\$ 2,519.92	\$ 4,192.83	-\$ 1,672.91	
64000 Payroll Expense			0.00	
64100 Health Insurance Benefits	4,375.65	4,349.19	26.46	
64200 Payroll Taxes	3,741.69	3,220.33	521.36	
64300 Retirement Benefits	1,522.30	1,529.18	-6.88	
64400 Salary	52,076.08	44,579.82	7,496.26	employee bonus \$5.6k
Total 64000 Payroll Expense	\$ 61,715.72	\$ 53,678.52	\$ 8,037.20	
65000 Postage and Printing	0.00	204.80	-204.80	
67000 Rent & Lease	665.18	647.41	17.77	
69000 Taxes & Licenses			0.00	
69100 Other Taxes			0.00	
Total 69000 Taxes & Licenses	\$ 0.00	\$ 0.00	\$ 0.00	
70000 Travel, Training & Personnel			0.00	
70200 Mileage	589.40		589.40	
70300 Training expense			0.00	
70500 Personnel Recruitment			0.00	
Total 70000 Travel, Training & Personnel	\$ 589.40	\$ 0.00	\$ 589.40	
72000 Utilities			0.00	
72200 Electric			0.00	
72600 Telephone	171.09	170.39	0.70	
Total 72000 Utilities	\$ 171.09	\$ 170.39	\$ 0.70	
75000 Public Aide and Advocacy (Properties)			0.00	
Total Expenditures	\$ 81,690.76	\$ 79,005.15	\$ 2,685.61	
Net Operating Revenue	\$ 19,617.88	-\$ 54,330.43	\$ 73,948.31	
Other Revenue				
48200 Interest Earned	0.13		0.13	
48300 Other Income		5,600.00	-5,600.00	
48400 Loss on Sale of Property		6,148.00	-6,148.00	
Total Other Revenue	\$ 0.13	\$ 11,748.00	-\$ 11,747.87	
Net Other Revenue	\$ 0.13	\$ 11,748.00	-\$ 11,747.87	
Net Revenue	\$ 19,618.01	-\$ 42,582.43	\$ 62,200.44	

Thursday, Jan 15, 2026 11:43:00 AM GMT-8 - Accrual Basis

Interfaith Housing Alliance, Inc.
Budget to Actuals
July - December, 2025

	MTD			YTD		
	Actual	Budget	over (under) Budget	Actual	Budget	over (under) Budget
Revenue						
41000 Government Grants	1,102.62	1,200.00	(97.38)	57,536.63	89,676.50	(32,139.87)
42000 Private Community Contributions	-	-	-	-	-	-
42100 Church Contributions	-	-	-	-	-	-
42200 Civic Groups	1,500.00	-	1,500.00	1,500.00	-	1,500.00
42300 Corporate Contributions	10,000.00	5,000.00	5,000.00	170,000.00	55,588.00	114,412.00
42400 Individual Contributions	40,805.80	25,000.00	15,805.80	45,535.20	39,229.00	6,306.20
42500 Private Foundation Grants	20,145.20	21,500.00	(1,354.80)	21,323.80	33,294.00	(11,970.20)
Total 42000 Private Community Contributions	72,451.00	52,700.00	20,853.62	238,359.00	128,111.00	78,108.13
43000 Property Management Fees	15,418.85	15,915.05	(496.20)	117,035.77	95,490.30	21,545.47
43100 Development Fees	-	10,625.00	(10,625.00)	5,400.00	63,750.00	(58,350.00)
43200 Supportive Services Fees	2,336.17	2,517.32	(181.15)	11,491.67	15,103.92	(3,612.25)
43300 FAHI Technical Assistance	10,000.00	-	10,000.00	20,182.22	-	20,182.22
Total Revenue	101,308.64	82,957.37	10,887.77	450,005.29	542,525.22	(92,519.93)
Gross Profit	101,308.64	82,957.37	10,887.77	450,005.29	542,525.22	(92,519.93)
Expenditures						
51000 Accounting & Auditing	10,000.00	4,738.16	5,261.84	31,875.00	28,428.96	3,446.04
52000 Advertising & Marketing	67.18	625.94	(558.76)	629.66	3,755.64	(3,125.98)
54000 Bank/Credit Card Charges	154.94	221.17	(66.23)	1,161.55	1,327.02	(165.47)
55000 Consultants & Professional Services	-	192.50	(192.50)	-	1,155.00	(1,155.00)
55100 Business Consulting Services	1,375.00	1,633.92	(258.92)	9,997.07	9,803.52	193.55
55200 Professional Payroll processing services	754.75	511.59	243.16	3,177.74	3,069.54	108.20
Total 55000 Consultants & Professional Services	2,129.75	2,338.01	(208.26)	13,174.81	14,028.06	(853.25)
56000 Dues & subscriptions	244.48	177.88	66.60	645.14	1,067.28	(422.14)
57000 Insurance	-	-	-	(69.00)	-	(69.00)
57100 Director's and Officer's	685.09	686.75	(1.66)	3,431.02	4,120.50	(689.48)
57200 Property and Liability	2,058.80	1,493.12	565.68	11,274.80	8,958.72	2,316.08
57300 Workers Compensation	235.00	154.83	80.17	1,259.26	928.98	330.28
Total 57000 Insurance	2,978.89	2,334.70	644.19	15,896.08	14,008.20	1,887.88
58000 Interest Paid	454.21	512.91	(58.70)	3,004.02	3,077.46	(73.44)
59000 Legal Fees	-	333.33	(333.33)	-	1,999.98	(1,999.98)
60000 Maintenance & Repair	-	-	-	-	-	-
60100 Cleaning & Janitorial	-	2,500.00	(2,500.00)	12,000.00	15,000.00	(3,000.00)
60150 Elevator Service	-	-	-	-	-	-
60200 Exterminating Service	-	12.50	(12.50)	-	75.00	(75.00)
60300 Grounds Maintenance	-	-	-	84.80	-	84.80
60500 Tools & Supply Purchases	-	2,991.67	(2,991.67)	(84.00)	17,950.02	(18,034.02)
60600 Vehicle Maintenance	-	25.00	(25.00)	-	150.00	(150.00)
Total 60000 Maintenance & Repair	-	5,529.17	(5,529.17)	12,000.80	33,175.02	(21,174.22)

	MTD			YTD		
	Actual	Budget	over (under) Budget	Actual	Budget	over (under) Budget
62000 Office Supplies, Equipment & Software	9.00	50.00	(41.00)	124.00	300.00	(176.00)
62100 Computer Software purchases	742.62	1,259.50	(516.88)	6,052.72	7,557.00	(1,504.28)
62200 IT Computer Support	1,238.83	1,063.77	175.06	9,633.59	6,382.62	3,250.97
62300 Office Equipment Rental/Purchase	-	100.00	(100.00)	-	600.00	(600.00)
62400 Office Supplies	529.47	486.60	42.87	2,801.72	2,919.60	(117.88)
Total 62000 Office Supplies, Equipment & Software	2,519.92	2,959.87	(439.95)	18,612.03	17,759.22	852.81
64000 Payroll Expense						
64100 Health Insurance Benefits	4,375.65	4,904.80	(529.15)	25,986.05	29,414.94	(3,428.89)
64200 Payroll Taxes	3,741.69	4,093.06	(351.37)	21,438.99	24,558.36	(3,119.37)
64300 Retirement Benefits	1,522.30	2,398.62	(876.32)	11,083.55	14,391.72	(3,308.17)
64400 Salary	52,076.08	50,125.79	1,950.29	296,333.23	317,505.04	(24,521.87)
Total 64000 Payroll Expense	61,715.72	61,522.27	193.45	354,841.82	385,870.06	(34,378.30)
65000 Postage and Printing	-	171.44	(171.44)	307.08	1,028.64	(721.56)
67000 Rent & Lease	665.18	675.90	(10.72)	3,902.23	4,055.40	(153.17)
69000 Taxes & Licenses	-	-	-	41.00	-	41.00
69100 Other Taxes	-	282.50	(282.50)	(5,855.60)	1,695.00	(7,550.60)
Total 69000 Taxes & Licenses	-	282.50	(282.50)	(5,814.60)	1,695.00	(7,509.60)
70000 Travel, Training & Personnel	-	280.09	(280.09)	-	1,680.54	(1,680.54)
70100 Meals	-	25.00	(25.00)	-	150.00	(150.00)
70200 Mileage	589.40	475.31	114.09	651.00	2,851.86	(2,200.86)
70300 Training expense	-	746.10	(746.10)	1,872.76	4,476.60	(2,603.84)
70400 Fuel Expense	-	110.00	(110.00)	-	660.00	(660.00)
70500 Personnel Recruitment	-	28.24	(28.24)	174.90	169.44	5.46
Total 70000 Travel, Training & Personnel	589.40	1,664.74	(1,075.34)	2,698.66	9,988.44	(7,289.78)
72000 Utilities	-	-	-	-	-	-
72200 Electric	-	-	-	(6.24)	-	(6.24)
72600 Telephone	171.09	162.20	8.89	1,045.77	973.20	72.57
Total 72000 Utilities	171.09	162.20	8.89	1,039.53	973.20	66.33
75000 Public Aide and Advocacy (Properties)				46,123.50	-	46,123.50
Total Expenditures	81,690.76	84,250.19	(2,559.43)	500,097.31	522,237.58	(25,490.33)
Net Operating Revenue	19,617.88	(1,292.82)	13,447.20	(50,092.02)	20,287.64	(67,029.60)
Other Revenue						
48200 Interest Earned	0.13	0.42	(0.29)	0.72	2.52	(1.80)
48300 Other Income				5,600.00	-	5,600.00
48400 Loss on Sale of Property				11,148.00	-	11,148.00
80000 Gain/loss on sale of Asset	-	1,166.67	(1,166.67)	-	7,000.02	(7,000.02)
Total Other Revenue	0.13	1,167.09	(1,166.96)	16,748.72	7,002.54	9,746.18
Net Other Revenue	0.13	1,167.09	(1,166.96)	16,748.72	7,002.54	9,746.18
Net Revenue	19,618.01	(125.73)	12,280.24	(33,343.30)	23,940.12	(57,283.42)

IHA Cash Forecast FY26

	6 MO						1YR						
	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cash Flow Forecast:													
Donations	25,951.00	2,460.00	5,000.00	-	-	-	-	15,000.00	-	-	-	8,000.00	5,662.50
Grants	46,500.00	93,957.17	-	37,292.83	6,250.00	29,500.00	14,500.00	35,000.00	2,000.00	9,500.00	12,000.00	142,000.00	48,000.00
Developer Fee													
Tax refund -RRSQ			2,400.00										
InterCo	45,665.16	41,528.91	36,615.30	36,615.30	36,615.30	36,615.30	36,615.30	36,615.30	36,615.30	36,615.30	36,615.30	36,615.30	36,615.30
Property Mgmt Fees	14,609.79	15,418.85	15,372.40	15,372.40	15,372.40	15,372.40	15,372.40	15,372.40	15,372.40	15,372.40	15,372.40	15,372.40	15,372.40
Supportive Services	3,055.40	2,093.50	2,093.50	2,093.50	2,093.50	2,093.50	2,093.50	2,093.50	2,093.50	2,093.50	2,093.50	2,093.50	2,093.50
Technical Assistance Payment (FAHI)		10,000.00											
Purchase Repair	7,200.00	1,200.00	1,200.00	1,200.00	1,200.00								
Total Cash-In	142,981.35	166,658.43	62,681.20	92,574.03	61,531.20	83,581.20	68,581.20	104,081.20	56,081.20	63,581.20	66,081.20	204,081.20	107,743.70
*Payroll & Benefits	87,468.00	80,387.51	80,387.51	80,387.51	80,387.51	80,387.51	80,387.51	80,387.51	120,581.27	80,387.51	80,387.51	80,387.51	80,387.51
LOC Interest	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00
Loan payment	2,574.37	2,575.37	2,576.37	2,577.37	2,578.37	2,579.37	2,580.37	2,581.37	2,582.37	2,583.37	2,572.37	2,573.37	2,573.37
Audit & Tax Prep	10,000.00	23,575.00	5,250.00			4,875.00	3,975.00				9,000.00		8,500.00
Credit Card	5,275.75	7,211.58	5,275.75	5,275.75	5,275.75	5,275.75	5,275.75	5,275.75	5,275.75	5,275.75	7,588.72	5,275.75	5,275.75
Contractor (Oculus)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00					7,457.88	8,857.61
Other expense	8,857.61	4,709.61	6,757.88	8,227.61	4,009.61	6,757.61	8,143.61	4,009.61	4,009.61	7,058.61	4,709.61	7,457.88	8,857.61
Total Cash-Out	118,544.73	122,828.07	104,616.51	100,837.24	96,620.24	104,244.24	104,731.24	92,623.24	132,818.00	95,674.24	104,627.21	96,063.51	105,963.24
Net Cash (Deficit) Surplus	24,436.62	43,830.36	(41,935.31)	(8,263.21)	(35,089.04)	(20,663.04)	(36,150.04)	11,457.96	(76,736.80)	(32,093.04)	(38,546.01)	108,017.69	1,780.46
YTD Cash (Deficit) Surplus	129,017.64	172,848.00	130,912.68	122,649.47	87,560.43	66,897.39	30,747.35	42,205.31	(34,531.49)	(66,624.53)	(105,170.54)	2,847.14	4,627.60

**INTERFAITH HOUSING
ALLIANCE, INC.**

**Financial Statements,
Supplementary Information and
Independent Auditor's Reports**

**For the Years Ended
June 30, 2025 and 2024**

LSWG

**CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS**

INTERFAITH HOUSING ALLIANCE, INC.
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Independent Auditor's Report

To the Board of Directors of
Interfaith Housing Alliance, Inc.

Qualified Opinion

We have audited the accompanying financial statements of Interfaith Housing Alliance, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of not consolidating the minority owned and wholly-owned limited partnerships described in the Basis for Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Interfaith Housing Alliance, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note (5) to the financial statements, Interfaith Housing Alliance, Inc. has chosen not to consolidate the assets, liabilities, equity, revenue and expenses of several limited partnerships and limited liability companies in which Interfaith Housing Alliance, Inc. serves as either the general partner (but has only a minority ownership percentage), or for which Interfaith Housing Alliance, Inc. is the 100% owner through partnership interests. All operating non-consolidated partnerships and limited liability companies produce their own set of stand-alone financial statements. Accounting principles generally accepted in the United States of America require that not for profit entities that are general partners in a for profit limited partnership for which the limited partner does not have kick-out or participating rights account for the assets, liabilities, equity, revenue and expenses of the limited partnerships through consolidation with the not for profit entity. In addition, accounting principles generally accepted in the United States of America require that all wholly-owned entities be accounted for through consolidation with the owner. Had Interfaith Housing Alliance, Inc. consolidated these limited partnerships and limited liability companies, assets, liabilities, equity, revenue and expenses would have been materially affected.

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Interfaith Housing Alliance, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical

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

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note (11) to the financial statements, the Organization has suffered recurring negative cash flows from operations, has continued to use an investment asset to supplement operations, and has incurred repeated negative changes in net assets without regard to special federal and state government funding, and has stated that substantial doubt exists about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note (11). The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 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 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 Interfaith Housing Alliance, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Interfaith Housing Alliance, Inc.'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of Interfaith Housing Alliance, Inc.'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 Interfaith Housing Alliance, Inc.'s 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 Interfaith Housing Alliance, Inc.'s internal control over financial reporting and compliance.

LSWG, P.A.

Rockville, Maryland
December 22, 2025

INTERFAITH HOUSING ALLIANCE, INC.

Statements of Financial Position

June 30,

	<u>Assets</u>	
	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 94,315	\$ 71,185
Accounts receivable	4,184	11,534
Grants receivable	464,719	434,757
Employee Retention Credit receivable	-	178,627
Investments	-	120,416
Due from affiliated limited partnerships and limited liability companies	118,494	225,155
Prepaid expenses and deposits	9,469	6,675
Total current assets	<u>691,181</u>	<u>1,048,349</u>
Property and equipment, cost		
Office equipment	17,194	17,194
Vehicle	-	17,000
Less: accumulated depreciation	<u>(12,474)</u>	<u>(27,067)</u>
Total property and equipment, net	4,720	7,127
Other assets		
Note receivable from affiliate, long term	829,750	429,750
Mortgage subsidies receivable, long term	<u>500,000</u>	<u>584,595</u>
Total other assets	<u>1,329,750</u>	<u>1,014,345</u>
Total assets	<u><u>\$ 2,025,651</u></u>	<u><u>\$ 2,069,821</u></u>
 <u>Liabilities and Net Assets</u> 		
Current liabilities		
Line of credit payable	\$ 51,074	\$ 145,565
Notes payable, current	29,539	38,055
Accounts payable and accrued expenses	417,707	24,214
Accrued payroll expenses	20,236	22,336
Deferred revenue	<u>429,750</u>	<u>829,750</u>
Total current liabilities	948,306	1,059,920
Long term liabilities		
Mortgage subsidies and notes payable, long term	<u>515,437</u>	<u>544,932</u>
Total long term liabilities	<u>515,437</u>	<u>544,932</u>
Total liabilities	1,463,743	1,604,852
Net assets		
Without donor restrictions	556,153	460,788
With donor restrictions	<u>5,755</u>	<u>4,181</u>
Total net assets	<u>561,908</u>	<u>464,969</u>
Total liabilities and net assets	<u><u>\$ 2,025,651</u></u>	<u><u>\$ 2,069,821</u></u>

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

INTERFAITH HOUSING ALLIANCE, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Property management fees	\$ 207,914	\$ -	\$ 207,914
Government grants	140,430	555,998	696,428
Contributions	199,053	70,904	269,957
Developer fees	62,347	-	62,347
Interest and dividend income	52,504	-	52,504
Realized gain on investments	17,705	-	17,705
Unrealized (loss) on investments	(22,951)	-	(22,951)
Supportive service fees	41,262	-	41,262
(Loss) on asset disposal	(88,258)	-	(88,258)
	<u>610,006</u>	<u>626,902</u>	<u>1,236,908</u>
Net assets released from restrictions	<u>625,328</u>	<u>(625,328)</u>	<u>-</u>
Total support and revenue	1,235,334	1,574	1,236,908
Expenses			
Program services:			
Financial education	163,295	-	163,295
Housing programs	636,252	-	636,252
Asset management & development	126,318	-	126,318
Program support	40,873	-	40,873
Total program services	<u>966,738</u>	<u>-</u>	<u>966,738</u>
Support services:			
Fund development	9,624	-	9,624
Management and general	163,607	-	163,607
Total support services	<u>173,231</u>	<u>-</u>	<u>173,231</u>
Total expenses	<u>1,139,969</u>	<u>-</u>	<u>1,139,969</u>
Changes in net assets	95,365	1,574	96,939
Net assets			
Beginning of year	<u>460,788</u>	<u>4,181</u>	<u>464,969</u>
End of year	<u>\$ 556,153</u>	<u>\$ 5,755</u>	<u>\$ 561,908</u>

The accompanying notes are an integral part of this financial statement.

INTERFAITH HOUSING ALLIANCE, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Property management fees	\$ 191,552	\$ -	\$ 191,552
Government grants	242,138	32,762	274,900
Contributions	268,687	117,676	386,363
Developer fees	17,913	-	17,913
Interest and dividend income	10,332	-	10,332
Realized gain on investments	83,142	-	83,142
Unrealized (loss) on investments	(59,203)	-	(59,203)
Supportive service fees	45,634	-	45,634
Other income	7,975	-	7,975
(Loss) on asset disposal	(12,741)	-	(12,741)
	<u>795,429</u>	<u>150,438</u>	<u>945,867</u>
Net assets released from restrictions	<u>150,185</u>	<u>(150,185)</u>	<u>-</u>
Total support and revenue	945,614	253	945,867
Expenses			
Program services:			
Financial education	116,282	-	116,282
Housing programs	1,026,841	-	1,026,841
Asset management & development	214,412	-	214,412
Program support	56,380	-	56,380
Total program services	<u>1,413,915</u>	<u>-</u>	<u>1,413,915</u>
Support services:			
Fund development	7,120	-	7,120
Management and general	173,830	-	173,830
Total support services	<u>180,950</u>	<u>-</u>	<u>180,950</u>
Total expenses	<u>1,594,865</u>	<u>-</u>	<u>1,594,865</u>
Changes in net assets	(649,251)	253	(648,998)
Net assets			
Beginning of year	<u>1,110,039</u>	<u>3,928</u>	<u>1,113,967</u>
End of year	<u>\$ 460,788</u>	<u>\$ 4,181</u>	<u>\$ 464,969</u>

The accompanying notes are an integral part of this financial statement.

INTERFAITH HOUSING ALLIANCE, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	<u>Program Services</u>					<u>Support Services</u>			<u>Total</u> <u>Expenses</u>
	<u>Financial</u> <u>Education</u>	<u>Housing</u> <u>Programs</u>	<u>Asset</u> <u>Management</u> <u>& Development</u>	<u>Program</u> <u>Support</u>	<u>Total</u> <u>Program</u> <u>Services</u>	<u>Fund</u> <u>Development</u>	<u>Management</u> <u>and General</u>	<u>Total</u> <u>Support</u> <u>Services</u>	
Expenses									
Salaries and wages	\$ 123,757	\$ 428,369	\$ 61,377	\$ 27,813	\$ 641,316	\$ 1,800	\$ 78,678	\$ 80,478	\$ 721,794
Employee benefits	5,834	58,637	4,756	6,382	75,609	-	21,584	21,584	97,193
Payroll taxes	10,113	35,005	5,016	2,273	52,407	147	6,429	6,576	58,983
Advertising and marketing	360	240	14	-	614	3,542	1,034	4,576	5,190
Bank fees	-	-	-	575	575	-	2,559	2,559	3,134
Computer expenses	12,633	19,424	989	2,614	35,660	72	7,364	7,436	43,096
Consultants and temporary help	-	4,260	-	435	4,695	2,100	8,824	10,924	15,619
Contributions	-	14,875	-	-	14,875	-	-	-	14,875
Depreciation	-	-	-	-	-	-	2,407	2,407	2,407
Dues and subscriptions	-	600	972	-	1,572	-	643	643	2,215
Insurance	2,667	20,686	6,489	-	29,842	62	3,227	3,289	33,131
Interest expense, mortgages	-	-	-	-	-	-	12,862	12,862	12,862
Miscellaneous	-	3,305	-	-	3,305	-	(945)	(945)	2,360
Occupancy	-	-	-	-	-	-	7,769	7,769	7,769
Office expenses	733	3,562	469	158	4,922	-	3,404	3,404	8,326
Postage and printing	-	-	-	-	-	1,823	339	2,162	2,162
Professional services	4,080	29,116	33,702	265	67,163	78	5,449	5,527	72,690
Supportive services	-	4,539	-	-	4,539	-	-	-	4,539
Taxes and licenses	-	-	12,445	40	12,485	-	40	40	12,525
Telephone	281	1,851	58	101	2,291	-	333	333	2,624
Tools	-	2,204	-	-	2,204	-	201	201	2,405
Travel and training	2,837	9,579	31	217	12,664	-	1,406	1,406	14,070
Total Expenses	\$ 163,295	\$ 636,252	\$ 126,318	\$ 40,873	\$ 966,738	\$ 9,624	\$ 163,607	\$ 173,231	\$ 1,139,969

The accompanying notes are an integral part of this financial statement.

INTERFAITH HOUSING ALLIANCE, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	<u>Program Services</u>				Total Program Services	<u>Support Services</u>		Total Support Services	Total Expenses
	<u>Financial Education</u>	<u>Housing Programs</u>	Asset <u>Management & Development</u>	<u>Program Support</u>		<u>Fund Development</u>	<u>Management and General</u>		
Expenses									
Salaries and wages	\$ 83,214	\$ 563,782	\$ 158,017	\$ 44,508	\$ 849,521	\$ 1,940	\$ 69,569	\$ 71,509	\$ 921,030
Employee benefits	6,485	90,905	13,768	557	111,715	-	17,816	17,816	129,531
Payroll taxes	5,459	43,503	11,955	3,480	64,397	151	4,353	4,504	68,901
Advertising and marketing	-	624	-	-	624	-	570	570	1,194
Bank fees	-	-	-	-	-	-	3,791	3,791	3,791
Computer expenses	11,516	14,246	803	1,353	27,918	-	19,194	19,194	47,112
Consultants and temporary help	740	3,582	-	1,776	6,098	2,100	19,753	21,853	27,951
Contributions	-	200,553	-	-	200,553	-	-	-	200,553
Depreciation	-	-	-	-	-	-	3,879	3,879	3,879
Dues and subscriptions	-	1,035	1,382	336	2,753	-	185	185	2,938
Insurance	2,478	21,285	4,706	1,326	29,795	58	2,072	2,130	31,925
Interest expense, mortgages	-	-	-	-	-	-	10,227	10,227	10,227
Miscellaneous	-	255	-	23	278	-	1,438	1,438	1,716
Occupancy	-	-	-	-	-	-	7,519	7,519	7,519
Office expenses	465	5,401	1,165	229	7,260	-	6,355	6,355	13,615
Postage and printing	-	-	38	-	38	2,429	-	2,429	2,467
Professional services	5,602	28,847	18,292	2,125	54,866	92	3,303	3,395	58,261
Repairs and maintenance	209	1,944	313	313	2,779	-	-	-	2,779
Supportive services	-	29,495	300	-	29,795	-	113	113	29,908
Taxes and licenses	-	35	3,072	-	3,107	350	-	350	3,457
Telephone	114	890	186	147	1,337	-	758	758	2,095
Tools	-	861	-	-	861	-	-	-	861
Travel and training	-	19,598	415	207	20,220	-	2,935	2,935	23,155
Total Expenses	\$ 116,282	\$ 1,026,841	\$ 214,412	\$ 56,380	\$ 1,413,915	\$ 7,120	\$ 173,830	\$ 180,950	\$ 1,594,865

The accompanying notes are an integral part of this financial statement.

INTERFAITH HOUSING ALLIANCE, INC.

**Statements of Cash Flows
For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Changes in net assets	\$ 96,939	\$ (648,998)
Adjustments to reconcile changes in net assets to net cash (used in) operating activities:		
Depreciation	2,407	3,879
Realized (gain) on investments	(17,705)	(83,142)
Unrealized loss on investments	22,951	59,203
Loss on disposition of assets	88,258	12,741
(Increase) decrease in assets:		
Accounts receivable	7,350	-
Grants receivable	(429,962)	15,602
Employee Retention Credit receivable	178,627	95,347
Due from affiliated limited partnerships and limited liability companies	13,607	6,663
Prepaid expenses and deposits	(2,794)	2,740
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	393,493	(47,656)
Accrued payroll expenses	(2,100)	(5,534)
Deferred revenues	(400,000)	(1,323)
Net cash (used in) operating activities	<u>(48,929)</u>	<u>(590,478)</u>
Cash flows from investing activities:		
Proceeds from disposal of property and equipment	4,796	-
Purchase of property and equipment	-	(2,734)
Proceeds from sales of investments	199,765	567,748
Purchases of investments	-	(103,076)
Net cash provided by investing activities	<u>204,561</u>	<u>461,938</u>
Cash flows from financing activities:		
Net borrowing on line of credit	(94,491)	145,565
Principal payments on notes payable	(38,011)	(49,480)
Net cash (used in) provided by financing activities	<u>(132,502)</u>	<u>96,085</u>
Net increase (decrease) in cash and cash equivalents	23,130	(32,455)
Cash and cash equivalents, beginning of year	71,185	103,640
Cash and cash equivalents, end of year	<u>\$ 94,315</u>	<u>\$ 71,185</u>
Supplemental Disclosure of Cash Flow Information:		
Income taxes paid	\$ -	\$ -
Interest paid	<u>\$ 12,862</u>	<u>\$ 10,227</u>
Deferred grant award payable to affiliate converted to note receivable	<u>\$ 400,000</u>	<u>\$ -</u>
Pass through grants receivable to result in notes receivable from affiliate	<u>\$ -</u>	<u>\$ 829,750</u>

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

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(1) DESCRIPTION AND PURPOSE OF THE ORGANIZATION

Interfaith Housing Alliance, Inc. (Interfaith Housing/IHA) was founded in 1989 by more than 50 religious and community leaders in western Maryland who were concerned by the absence of affordable housing. Since its inception, Interfaith Housing has completed over 1,685 housing units which include single family USDA self-help homes, townhomes, multi-family developments, and senior housing. IHA has also assisted other community organizations in addressing housing issues for special needs populations. IHA's service area includes western and central Maryland and south central Pennsylvania.

Interfaith Housing's basic strategy has been to develop projects in collaboration with local governments, social service agencies, and the business, faith, and philanthropic communities. Because of these relationships, Interfaith Housing developed a successful model for community development by serving as a catalyst in assembling land, financial, and technical resources. The housing developed by Interfaith Housing has clear economic development benefits through the creation of jobs for its projects, and the program participants become active contributors to the communities in which they reside.

Interfaith Housing also provides access to financial well-being and housing stability programs that assist participants with information on achieving desirable credit scores, budgeting household expenditures, and each step in the home buying process.

Interfaith Housing also provides supportive services to residents of managed affordable housing communities designed to enhance residents' quality of life by increasing their access to services and by facilitating programs that enhance physical, social, mental, and financial well-being.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The financial statements of Interfaith Housing have been prepared using accounting principles generally accepted in the United States of America (U.S. GAAP). Preparation is in accordance with the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred, and include all significant receivables, payables and other liabilities.

Basis of presentation – The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958, *Not for Profit Entities*. Interfaith Housing is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to give – Contributions are recognized when the donor makes a promise to give to Interfaith Housing that is, in substance, unconditional. 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and cash equivalents – Interfaith Housing considers all cash with a maturity period of three months or less to be cash and cash equivalents. Accounts are generally federally insured up to \$250,000 per financial institution. Interfaith Housing did not have any bank deposits in excess of this amount at either June 30, 2025 or June 30, 2024. Interfaith Housing has not experienced any losses on such accounts and considers this to be a normal business risk.

Non-cash (in-kind) contributions – Interfaith Housing receives contributions of time from members serving on the Board of Directors and from other volunteers. In accordance with FASB ASC 958-605, this time is not assigned a value for purposes of these financial statements because it does not meet the required criteria. Donated materials and equipment, if any, are reflected as contributions at their estimated value on the date of receipt.

Income taxes – Interfaith Housing is exempt from federal and state income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Interfaith Housing has been classified as a publicly supported entity which is not a private foundation. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. Interfaith Housing did not have any net unrelated business income for the years ended June 30, 2025 and 2024. Accordingly, there has been no provision for income tax in these financial statements. IHA previously adopted the provisions of FASB ASC 740, *Income Taxes*, for the recognition requirements of uncertain income tax provisions as required by U.S. GAAP. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will be more likely than not to be sustained upon examination by taxing authorities. IHA believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations or cash flows. Accordingly, no reserves or related accruals for interest and penalties for uncertain income tax positions existed at June 30, 2025 and 2024. Interfaith Housing is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. IHA believes it is no longer subject to income tax examinations for years prior to 2021.

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial risk – Interfaith Housing invests in a professionally managed portfolio that contains mutual funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Use of estimates in preparing financial statements – Management uses estimates and assumptions in preparing these financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from estimates that were used.

Investments – Interfaith Housing carries investments in marketable securities with readily determinable fair values at their fair market value in the statement of financial position. Realized and unrealized gains and losses are included in the accompanying statements of activities and changes in net assets.

Accounts and grants receivable – Receivables at June 30, 2025 and 2024 are comprised of amounts receivable from grantors and from affiliated entities for the provision of supportive services. The receivables are stated at the amount that management expects to collect from outstanding balances. Interfaith Housing provides for likely uncollectible amounts through a charge to expense and a credit loss valuation allowance. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the credit loss valuation allowance. There was no bad debt expense nor any allowance for doubtful grant receivable accounts or allowance for credit losses for the years ended June 30, 2025 and 2024, as management deemed all accounts to be collectible.

Valuation of long-lived assets – IHA accounts for the valuation of long-lived assets under FASB ASC 360-10 which requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair market value, minus costs to sell. There were no impaired assets at June 30, 2025 and 2024.

Vacation pay – Interfaith Housing observes an unlimited paid time off policy subject to reasonable limits as decided by management. However, employees do not carryforward any paid time off balances, nor are they compensated for unused leave upon the event of termination. Therefore, there is no accrued liability for paid time off at June 30, 2025 and 2024.

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising – Interfaith Housing incurs advertising expense for promotion of its mission and employment ads. These costs are expensed as incurred. During the years ended June 30, 2025 and 2024, advertising expense was \$5,190 and \$1,194, respectively.

Revenue recognition – Revenue is derived from various sources. Grants and contributions typically have no reciprocal exchanges with the resource provider. Grant revenue is recognized over time as costs are incurred for cost-reimbursement type grants or as a ratable portion over the grant period for grant awards that do not depend on underlying costs incurred. Contributions received are recorded in the year received unless there is a conditional barrier to receipt and a right of return of the asset is required or a right of release of the donor’s obligation to transfer assets is required. Grants and contributions that have conditional barriers and return rights are deferred until such time that the conditions are met and the barrier is overcome.

Developer fees are recognized according to directives in limited partnership agreements at the point in time in which the developer deems the conditions completed and releases the fee to Interfaith Housing.

Property management and supportive service fees are recognized on a monthly basis as the service is provided to the properties managed.

Functional expense allocation – Direct costs associated with the various programs operated by Interfaith Housing are recorded as program costs. Management and general expenses and fund development expenses are reported as separate activities in the statements of activities and changes in net assets. Certain costs have been allocated among program, management and general and fund development when the cost benefits more than one component.

Salaries and wages as well as the related employee benefits and payroll taxes have been allocated to the program and supporting services based on an estimate of time and effort attributed to each function by the employee.

Costs directly allocated to the program or supporting service include: advertising, bank fees, contributions, depreciation, interest expense, supportive services, occupancy, miscellaneous, and tools.

Indirect costs benefiting more than one function and allowing for allocation include: computer expenses, consultants and temporary help, dues and subscriptions, insurance, office expenses, postage and printing, professional services, repairs and maintenance, taxes and licenses, telephone, and travel and training.

Indirect costs that are allocated are based upon the estimate of accumulated time and effort each employee spends in program and supporting functions as compared to their total time.

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(3) PROPERTY AND EQUIPMENT

It is Interfaith Housing's policy to depreciate property and equipment greater than \$2,500 on a straight line basis over the estimated useful life of the asset. Property and equipment are stated at cost or estimated fair market value, if donated. Property and equipment are generally depreciated over a 5 year life. Depreciation expense for the years ended June 30, 2025 and 2024 was \$2,407 and \$3,879, respectively.

(4) INVESTMENTS AND FAIR VALUE MEASUREMENTS

Interfaith Housing previously adopted FASB ASC 820, which establishes a 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 below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Interfaith Housing 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;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual and exchange traded funds – valued at the closing price reported on the active market in which the individual securities are traded.

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(4) INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Interfaith Housing 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 a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, Interfaith Housing’s assets in the funds at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual and exchange traded funds	\$ 120,416	\$ -	\$ -	\$ 120,416

(5) AFFILIATIONS WITH LIMITED PARTNERSHIPS, LIMITED LIABILITY COMPANIES, RELATED ENTITIES, AND GUARANTEES

Affiliations with Limited Partnerships and Limited Liability Companies

From time to time, Interfaith Housing Alliance, Inc. enters into limited partnerships (LP’s) or limited liability companies (LLC’s) as a general partner or member for housing projects that have been awarded low income housing tax credits (LIHTC properties). Participation as the general partner or member of these projects provides Interfaith Housing with an opportunity to leverage its experience in the low income housing field with the capital contributions of investor limited partners or other members to meet its primary mission of providing affordable housing opportunities to low and moderate income families.

The limited partnership and limited liability operating agreements generally require a multi-year tax credit compliance period in which the investor limited partners or other members will retain a majority ownership of the partnership and also receive the benefit of low income housing tax credits on their respective income tax returns.

During this credit compliance period, IHA may be appointed to manage the property, but will have a minority ownership interest.

The provisions of ASU 2017-02, *Not for Profit Entities – Consolidation*, “Clarifying when a Not for Profit Entity that is a General Partner or a Limited Partner Should Consolidate a For-Profit Partnership or Similar Entity”, became effective for IHA’s fiscal year ending June 30, 2018.

INTERFAITH HOUSING ALLIANCE, INC.

Notes to the Financial Statements

June 30, 2025 and 2024

(5) AFFILIATIONS WITH LIMITED PARTNERSHIPS, LIMITED LIABILITY COMPANIES, RELATED ENTITIES, AND GUARANTEES (continued)

These provisions maintain that a general partner of a for-profit limited partnership consolidate that entity unless it can be substantiated that the investor limited partner has either kick-out or participating rights. For the years ended June 30, 2025 and 2024, IHA has determined that the investor limited partners in limited partnerships in which IHA serves as the general partner have neither kick-out nor participating rights and consolidation of the limited partnerships and limited liability companies would be required in IHA's financial statements.

However, IHA has chosen not to consolidate the limited partnerships or limited liability companies at this time as to do so would present consolidated financial statements that management believes would not be an accurate representation of the financial condition of IHA's non-profit activities, assets, and liabilities at June 30, 2025 and 2024. The limited partnerships and limited liability companies operate on a calendar year basis consistent with the tax reporting periods of the investor limited partners and other members, and each operating limited partnership and limited liability company produces its own set of stand-alone financial statements. The effects of not consolidating these limited partnerships with Interfaith Housing have not been determined at this time.

Limited partnerships in which Interfaith Housing serves as a general partner include the following (presented along with their respective ownership percentages):

Chambersburg Senior Housing LP

	<u>Chambersburg</u>	<u>PIRHL</u>	
	<u>Senior Housing GP</u>	<u>Chambersburg</u>	
	<u>Corporation *</u>	<u>Senior Housing GP</u>	<u>PIRHL Chambersburg</u>
		<u>LLC</u>	<u>Senior Housing LLC</u>
Partner			
Ownership %	0.0051%	0.0049%	99.99%

* IHA owned 100% of the shares of Chambersburg Senior Housing GP Corporation; the interest was sold to an unrelated party during the year ended June 30, 2025

Cumberland Family Homes II LP

	<u>Cumberland Family</u>	<u>BF Advantaged</u>
	<u>Homes II GP</u>	<u>Institutional Tax</u>
	<u>Corporation *</u>	<u>Credits I LP</u>
Partner		
Ownership %	0.01%	99.99%

* IHA owns 100% of the shares of Cumberland Family Homes II GP Corporation

INTERFAITH HOUSING ALLIANCE, INC.

Notes to the Financial Statements

June 30, 2025 and 2024

(5) AFFILIATIONS WITH LIMITED PARTNERSHIPS, LIMITED LIABILITY COMPANIES, RELATED ENTITIES, AND GUARANTEES (continued)

Oakwood Family Homes LP

	<u>Oakwood Family Homes GP Corporation *</u>	<u>PIRHL Oakwood Family Homes SLP LLC</u>	<u>Bank of America, N.A.</u>
Partner			
Ownership %	0.009%	0.001%	99.99%

* IHA owns 100% of the shares of Oakwood Family Homes GP Corporation

Sinclair Way Associates LLC

	<u>Interfaith Sinclair Way GP LLC *</u>	<u>Sinclair Way Managing Member LLC</u>	<u>Boston Capital Mariner Tax Credit Fund LP</u>
Partner			
Ownership %	0.0015%	0.0085%	99.99%

* IHA is the sole member of Interfaith Sinclair Way GP LLC

520 N. Market Apartments LLC

	<u>520 N. Market Apartments GP Corporation *</u>	<u>PIHRL 520 N. Market Apartments LLC</u>	<u>Bank of America, N.A. & Bank of America CDC Special Holding Company, Inc.</u>
Partner			
Ownership %	0.0051%	0.0049%	99.99%

* IHA owns 100% of the shares of 520 N. Market Apartments GP Corporation

Washington Square Townhomes LP

	<u>Washington Square Townhomes GP Corporation *</u>	<u>PIRHL Washington Square Townhomes GP LLC</u>	<u>USA Institutional Tax Credit Fund XCIV LP</u>
Partner			
Ownership %	0.0051%	0.0049%	99.99%

* IHA owns 100% of the shares of Washington Square Townhomes GP Corporation

INTERFAITH HOUSING ALLIANCE, INC.

Notes to the Financial Statements

June 30, 2025 and 2024

(5) AFFILIATIONS WITH LIMITED PARTNERSHIPS, LIMITED LIABILITY COMPANIES, RELATED ENTITIES, AND GUARANTEES (continued)

Westminster Way Associates LLC

	<u>IHA Westminster</u>	<u>Westminster Way</u>	
	<u>Way LLC *</u>	<u>Managing Member</u>	
Partner		<u>LLC</u>	<u>Bank of America, N.A.</u>
Ownership %	0.0025%	0.0075%	99.99%

* IHA is the sole member of IHA Westminster Way LLC

Brock Bridge Landing LP

		<u>Brock Bridge</u>	<u>Bank of America, N.A. &</u>
	<u>IBH BBL LLC *</u>	<u>Landing GP LLC</u>	<u>Bank of America CDC</u>
			<u>Special Holding Company,</u>
			<u>Inc.</u>
Partner			
Ownership %	0.0011%	0.0089%	99.99%

* IHA is the sole member of IBH BBL LLC

The Residences at Railroad Square LLC

	<u>IHA Railroad</u>	<u>The Residences at</u>	<u>Red Stone Equity Fund 73 LP</u>
	<u>Square GP LLC *</u>	<u>Railroad Square</u>	<u>and Red Stone Equity</u>
		<u>MM LLC</u>	<u>Manager LLC</u>
Partner			
Ownership %	0.00135%	0.00765%	99.991%

* IHA is the sole member of IHA Railroad Square GP LLC; cash flows and developer fees are split 85% Taft Mills (The Residences at Railroad Square MM LC) and 15% Interfaith Housing Alliance, Inc. (IHA Railroad Square GP LLC)

Overlook East Associates LLC

		<u>Overlook East</u>	<u>Bank of America, N.A. &</u>
	<u>IHA Overlook East</u>	<u>Associates</u>	<u>Bank of America CDC</u>
	<u>GP LLC</u>	<u>Managing Member</u>	<u>Special Holding Company,</u>
		<u>LLC</u>	<u>Inc.</u>
Partner			
Ownership %	0.001%	0.009%	99.99%

* IHA is the sole member of IHA Overlook East GP LLC

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(5) AFFILIATIONS WITH LIMITED PARTNERSHIPS, LIMITED LIABILITY COMPANIES, RELATED ENTITIES, AND GUARANTEES (continued)

North Odenton Associates LLC

	<u>IHA N. Odenton</u>	<u>North Odenton</u> <u>Managing Member</u>	<u>TCC North Odenton</u> <u>Associates LLC and CDC</u>
Partner	<u>GP LLC</u>	<u>LLC</u>	<u>Special Limited Partner LLC</u>
Ownership %	0.00150%	0.00850%	99.99%

* IHA is the sole member of IHA N. Odenton GP LLC

Point at Smithsburg MM LLC

	<u>IHA Smithsburg</u>	<u>TM Associates</u>	<u>Green Street Housing LLC</u>
Partner	<u>Point LLC *</u>	<u>Development, Inc.</u>	
Ownership %	11.00%	44.5%	44.5%

* IHA is the sole member of IHA Smithsburg Point LLC; Point at Smithsburg MM LLC is the .01% owner of Point at Smithsburg LLC; CREA Point at Smithsburg LLC is a 99.99% limited partner.

During the year ended June 30, 2024, IHA provided the management agent services for Chambersburg Senior Housing LP, Cumberland Family Homes II LP, Oakwood Family Homes LP, 520 N. Market Apartments LLC, and Washington Square Townhomes LP. During the year ended June 30, 2025, IHA provided the management agent services for those same entities but also added The Residences at Railroad Square LLC in January 2025 and ceased providing the services in February 2025 for Chambersburg Senior Housing LP. Interfaith Housing charged these LP's \$156,015 and \$140,383 in management fees for the years ended June 30, 2025 and 2024, respectively, which are included in "property management fees" on the statements of activities and changes in net assets.

The general partners or members of Cumberland Family Homes II LP, Oakwood Family Homes LP, Sinclair Way Associates LLC, 520 N. Market Apartments LLC, Washington Square Townhomes LP, Westminster Way Associates LLC, Brock Bridge Landing LP, The Residences at Railroad Square LLC, Overlook East Associates LLC, and North Odenton Associates LLC all entered into guarantee agreements with the limited partners and the developer of the projects whereby certain conditions must be maintained for the duration of the tax credit compliance period. Any amounts that could be due under these guarantees cannot be estimated at this time.

INTERFAITH HOUSING ALLIANCE, INC.

Notes to the Financial Statements

June 30, 2025 and 2024

(5) AFFILIATIONS WITH LIMITED PARTNERSHIPS, LIMITED LIABILITY COMPANIES, RELATED ENTITIES, AND GUARANTEES (continued)

Related Entities

Interfaith Housing is involved with two limited partnerships that have previously completed their tax credit compliance periods. Washington Ridge LP was created to develop and operate a multi-family housing complex in Frostburg, Maryland. Broadway Apartments LP was created to develop and operate a multi-family complex in Frederick, Maryland that offers housing to the senior population.

In 2007, the investor limited partner of Washington Ridge LP withdrew and Interfaith Housing became the owner of the property as both limited partner and general partner as the single member of Interfaith Washington Ridge LLC.

In 2010, the investor limited partner of Broadway Apartments Limited Partnership withdrew and Interfaith Housing became the owner of the property as both limited partner and general partner as the single member of Interfaith Broadway Apartments LLC.

Because the two limited partnerships are wholly-owned by Interfaith Housing, the activity of the partnerships should be consolidated in these financial statements. Management has elected not to consolidate these limited partnerships. Each limited partnership produces a set of stand-alone financial statements to comply with requirements of their respective lenders. Had these two limited partnerships been consolidated with Interfaith Housing, total assets and total liabilities at June 30, 2025 would be increased by \$1,101,966 and \$2,208,162, respectively; total net assets would be decreased by \$1,106,196; and revenues and expenses would be increased by \$388,876 and \$405,791, respectively for the year ended June 30, 2025. Had these two limited partnerships been consolidated with Interfaith Housing, total assets and total liabilities at June 30, 2024 would be increased by \$1,152,805 and \$2,242,347, respectively; total net assets would be decreased by \$1,089,281; and revenues and expenses would be increased by \$632,505 and \$555,980, respectively for the year ended June 30, 2024. Interfaith Housing charged Washington Ridge and Broadway Apartments LP's \$51,899 and \$51,169 in management fees for the years ended June 30, 2025 and 2024, respectively, which is included in "property management" in the statement of activities and changes in net assets.

Notes Receivable

In December 2023, Interfaith Housing executed a promissory note with North Odenton Associates LLC for \$429,750. The note is a result of a grant received through the Maryland Community Development Association to fund development costs associated with a housing project in Anne Arundel County, Maryland in which Interfaith Housing has a minority interest. IHA must loan the grant funds to the project for a period of 40 years from the date the project is completed and the project's loans become permanent. No interest will be charged to the project and the loan is unsecured and subordinate to the project's permanent loans. At the end of the 40 year term, IHA will be able to retain the grant funds with no obligation to return the funds to the Community Development Association.

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(5) AFFILIATIONS WITH LIMITED PARTNERSHIPS, LIMITED LIABILITY COMPANIES, RELATED ENTITIES, AND GUARANTEES (continued)

Notes Receivable (continued)

In August 2024, Interfaith Housing executed a promissory note with North Odenton Associates LLC for \$400,000. The note is a result of a grant received through the Maryland Department of Housing and Community Development to fund development costs associated with a housing project in Anne Arundel County, Maryland in which Interfaith Housing has a minority interest. IHA must loan the grant funds to the project for a period of 40 years from the date the project is completed and the project's loans become permanent. No interest will be charged to the project and the loan is unsecured and subordinate to the project's permanent loans. At the end of the 40 year term, IHA will be able to retain the grant funds with no obligation to return the funds to the Maryland Department of Housing and Community Development.

(6) MORTGAGES, NOTES PAYABLE, SUBSIDIES, AND CREDIT LINES

Mortgages, notes payable, and subsidies at June 30 consisted of:

	<u>2025</u>	<u>2024</u>
Deferred subsidy note for the acquisition and construction of a project in Hampstead, MD. Repayment is deferred unless the property is sold or is not used for affordable housing.	\$ 500,000	\$ 500,000
Note payable to a financial institution in the original amount of \$138,654; monthly payments of principal and interest of \$2,572; due December 2026; interest rate of 4.24%; secured by accounts and equipment.	44,976	73,247
Financing agreement for server; total monthly payments of principal and interest of \$1,014 through March 2025 required; interest rate of 8.8%.	-	9,740
Total mortgages, notes payable, and subsidies	<u>\$ 544,976</u>	<u>\$ 582,987</u>

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(6) MORTGAGES, NOTES PAYABLE, SUBSIDIES, AND CREDIT LINES (continued)

Maturities of the mortgages, notes payable, and subsidies for the next five fiscal years as of June 30, 2025 are as follows:

2026	\$ 29,539
2027	15,437
2028	-
2029	-
2030	-

IHA has an available \$150,000 line of credit with a financial institution. The credit line is due on demand and accrues interest at a rate of 1% over the Prime rate. The rate charged as of June 30, 2025 and 2024 was 8.5% and 9.5%, respectively. The outstanding balance on this line of credit was \$51,074 and \$145,565 as of June 30, 2025 and 2024, respectively.

(7) OPERATING LEASE AGREEMENT

In May 2021, IHA entered into a lease agreement for an office in a building owned by another area non-profit organization with an expiration date of May 31, 2024, which has been extended to December 31, 2025. The base rent for this office was \$592 per month at the extension. The lessor requires a \$55 monthly payment for shared network fees.

Total rent expense for the years ended June 30, 2025 and 2024 was \$7,769 and \$7,519, respectively. Future minimum lease payments were: fiscal year 2026 - \$3,884.

(8) RETIREMENT PLAN

Interfaith Housing has a tax deferred 403(b) retirement plan which covers substantially all full-time employees. Employee contributions into the plan are matched up to 5% of gross wages. The amount contributed to the plan for the years ended June 30, 2025 and 2024 was \$28,854 and \$35,888, respectively.

(9) DONOR RESTRICTED AND DESIGNATED NET ASSETS

At June 30, 2025 and 2024, \$5,755 and \$4,181, respectively, of net assets were restricted for help with a homeownership opportunity for a certain demographic and locale.

INTERFAITH HOUSING ALLIANCE, INC.
Notes to the Financial Statements
June 30, 2025 and 2024

(10) LIQUIDITY AND THE AVAILABILITY OF RESOURCES

The following table reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditures within one year.

Financial assets, at year end:	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 94,315	\$ 71,185
Accounts receivable	4,184	11,534
Grants receivable	464,719	434,757
Employee Retention Credit receivable	-	178,627
Investments	-	120,416
Due from affiliated limited partnerships and limited liability companies	<u>118,494</u>	<u>225,155</u>
Total Financial assets	681,712	1,041,674
Less those unavailable for general expenditure within one year, due to:		
Grant receivable converted to long term note receivable with an affiliate	(400,000)	(400,000)
Donor restrictions	<u>(5,755)</u>	<u>(4,181)</u>
Financial assets not available for general expenditure within one year	<u>(405,755)</u>	<u>(404,181)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 275,957</u>	<u>\$ 637,493</u>

IHA structures its financial assets to be available as general expenditures, loan payments and other liabilities become due.

(11) GOING CONCERN

The financial statements have been prepared assuming that Interfaith Housing Alliance, Inc. will continue as a going concern. IHA has experienced negative cash flows from operations from the fiscal year ended June 30, 2020 through June 30, 2025. Without regard to special COVID-era government funded programs for the Paycheck Protection Program and the Employee Retention Credit, IHA has also experienced net negative changes in net assets during the fiscal years ended June 30, 2020 through June 30, 2024. The organization had a positive change in net assets for the year ended June 30, 2025 only due to a \$400,000 grant awarded for construction of the Blue Oaks at North Odenton property for which IHA received a note receivable from the project and not cash that could be used in IHA operations.

INTERFAITH HOUSING ALLIANCE, INC.

Notes to the Financial Statements

June 30, 2025 and 2024

(11) GOING CONCERN (continued)

IHA had a brokerage investment account with a June 30, 2021 fair value of \$856,461 which progressively declined to a June 30, 2024 fair value of \$120,416 with a significant portion of the decline due to cash draws on the account to fund operating expenses; this fund was fully exhausted and moved to operating cash in August 2024. In addition, during the year ended June 30, 2024, IHA drew funds on their line of credit discussed in Note (6) in the amount of \$145,565 with a maximum available amount of \$150,000; while IHA was able to pay down the line of credit by \$94,491 during the year ended June 30, 2025, the outstanding balance on the line remained at \$51,074 at June 30, 2025 which will need to be repaid at some point in the future. IHA's available cash balance at June 30, 2025 was \$94,315. These factors raise substantial doubt about IHA's ability to continue as a going concern and management's assessment of its ability to meet its obligations. Management is actively pursuing new fundraising efforts to target additional donations as able and it contracting with a consultant to gauge the viability of selling its interest in some of its managed properties. Subsequent to June 30, 2025, a contract of sale was executed for the interest in Washington Square Townhomes LP which generated \$11,148 in cash proceeds for IHA. As a management agent for some of the Low-Income Housing Tax Credit (LIHTC) properties further described in Note (5) to the financial statements, IHA routinely covers operating costs for these properties including the cost of employees staffing those locations. IHA's timely recoupment of those covered costs is dependent upon the cash positions of the associated properties which operate in a heavily regulated environment. IHA's disposition of the aforementioned LP interest will alleviate the cash burden on IHA to cover those costs going forward. Other plans include reducing expenditures where able including some realignment of staff duties to reduce redundancy.

Management believes that these endeavors will contribute towards achieving better operating results and restoring cash to the Organization. The accompanying financial statements do not include any adjustments that might be necessary if IHA is unable to continue as a going concern. The financial statements also do not include any adjustments that might result from the outcome of any uncertainty regarding IHA's ability to continue as a going concern. Lastly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset and liability amounts that might be necessary should IHA be unable to continue as a going concern.

(12) RECLASSIFICATION

A reclassification between grants receivable and accounts receivable has been made for the year ended June 30, 2024 to conform to current year presentation. This reclassification had no effect on the change in net assets for the year ended June 30, 2024.

INTERFAITH HOUSING ALLIANCE, INC.

Notes to the Financial Statements

June 30, 2025 and 2024

(13) SUBSEQUENT EVENTS

In preparing these financial statements, Interfaith Housing has evaluated events and transactions for potential recognition or disclosure through December 22, 2025, the date the financial statements were available to be issued.

In October 2025, Interfaith Housing entered into a partnership interest sale agreement for its interest in Washington Square Townhomes GP Corporation along with the other partners of Washington Square Townhomes LP (see Note 5). In exchange for the sale of its partnership interests, IHA will receive a total of \$11,148. The sale agreement will also alleviate the guarantees that IHA provided in connection with the Tax Credit Exchange Program.

On November 25, 2025, Interfaith Housing entered into a lease renewal for its office space for a one year period from January 1, 2026 to December 31, 2026 for an annual rent of \$7,322.



Independent Auditor’s 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*

To the Board of Directors of
Interfaith Housing Alliance, Inc.

We have audited, in accordance with the 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 financial statements of Interfaith Housing Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Interfaith Housing Alliance, Inc.’s 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Interfaith Housing Alliance, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Interfaith Housing Alliance, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Interfaith Housing Alliance, Inc.'s 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 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LSWG, P.A.

Rockville, Maryland

December 22, 2025

INTERFAITH HOUSING ALLIANCE, INC.
Schedule of Findings and Responses
For the Year Ended June 30, 2025

No findings are reported for the year ended June 30, 2025.

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IHA Project Development Progress Dashboard

Project Name	County	Address	Number of Units	Unit Type	9%/4%	Investment	Partner	IHA Role	IHA Ownership %	Tax Credit Status	Project Status
Blue Oaks at North Odenton	AA	1566-1580 Annapolis Road Odenton MD 21113	150	Multifamily	Twinning 9% 4%	\$44,805,895	Conifer	SS/CMM CMM	15% 15%	Awarded Jan 2021	Under construction-hopeful to have COs in January 2026
Overlook East	FC	423 East Patrick Street Frederick, MD 21701	84	Multifamily	4%	\$25,975,858	Conifer	SS/CMM	10%	Awarded April 2021	Leasing Up
The Heights at Himes	FC	Himes Ave	148	Multifamily	4%/9%	\$54,926,105	Conifer	SS/CMM	15%	Not submitted	Awarded the RFP
Last Updated: 12/15/2025			Total Number of Units	382	Total Dollars Invested		\$125,707,858				

Totals by County	Frederick	272
	Carroll	0
	Anne Arundel	150
	Washington	

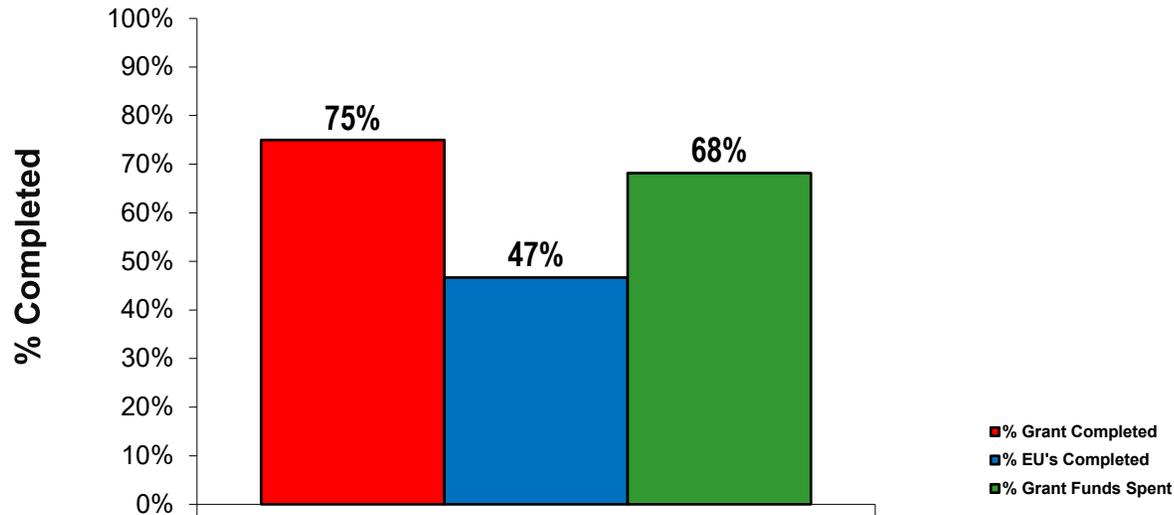
SS	Supportive Services
CMM	Co-Managing Member
MGP	Managing General Partner
PM	Property Manager

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Monthly Analysis Report

December-25

Interfaith Housing Alliance #12



Months Complete	Grant Period	% Grant Completed	EU's to Date	EU's Proposed	% EU's Completed	Grant Funds Spent to Date	Total Grant Funds	% Grant Funds Spent
27	36	75%	7.00	15	47%	\$362,873	\$532,500	68%

IHA currently has completed seven rehabs: Meisel, Northington, Johnson, Wallace, Launi, Lynch and Gibson. IHA submitted a request for extension of time only (1 year) for their current grant and were approved. They are now working on closing out the families' SBA accounts. Some families have funding remaining and will use those funds to make additional repairs once RD approves those new scope of work orders. The next QRM is tentatively scheduled for February 12, 2026 at 10:00 a.m.



01/01/2026 – Purchase Repair Program Stats for the USDA-RD 523 TA Grant 2023-2026

Grant Obligation: 15 Participants to be completed by 09/29/2026

7 participants have purchased an eligible home

7 participants have completed 100% of their repairs

	<i>Closed</i>	<i>Final Home Inspection</i>	<i>Final Docs sent to USDA-RD</i>
▪ M. Meisel	11/21/2023	06/04/2024	
▪ L. Northington	07/12/2024	10/18/2024	
▪ C. Johnson	01/17/2025	04/15/2025	
▪ M. Launi	03/21/2025	06/27/2025	07/29/2025
▪ D. Wallace	08/26/2024	06/20/2025	
▪ K. Lynch	07/18/2025	11/10/2025	
▪ T. Gibson	07/25/2025	10/24/2025	

0 participants are actively working on their repairs

	<i>Closed</i>	<i>% Completed</i>

0 participants have a home under contract

	<i>Contract</i>	<i>Inspection</i>	<i>Sent to USDA-RD</i>	<i>Appraisal</i>	<i>Closing</i>

0 participants have their Letter of Eligibility

	<i>Submitted</i>	<i>USDA-RD staff</i>	<i>LOE Issued to replace COE issued 2/9 or later</i>

0 participant are waiting for their loan application to be processed by USDA-RD

	<i>Entered Program</i>	<i>Loan Application Submitted</i>

0 participants are actively working on the loan RE-application process

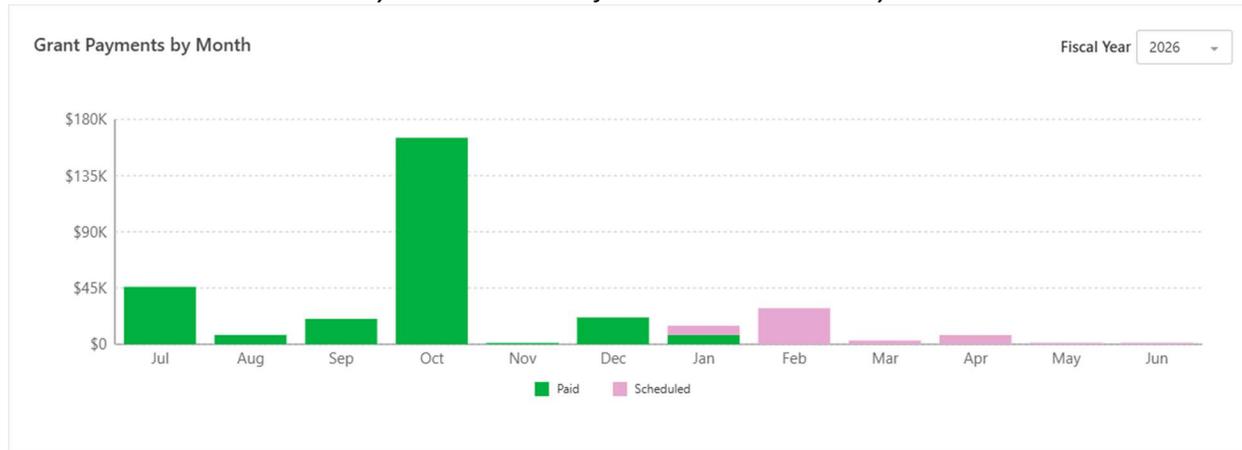
	<i>Entered Program</i>	<i>Invited to Submit Loan Documents</i>

0 participants are ready to move forward with the loan application process

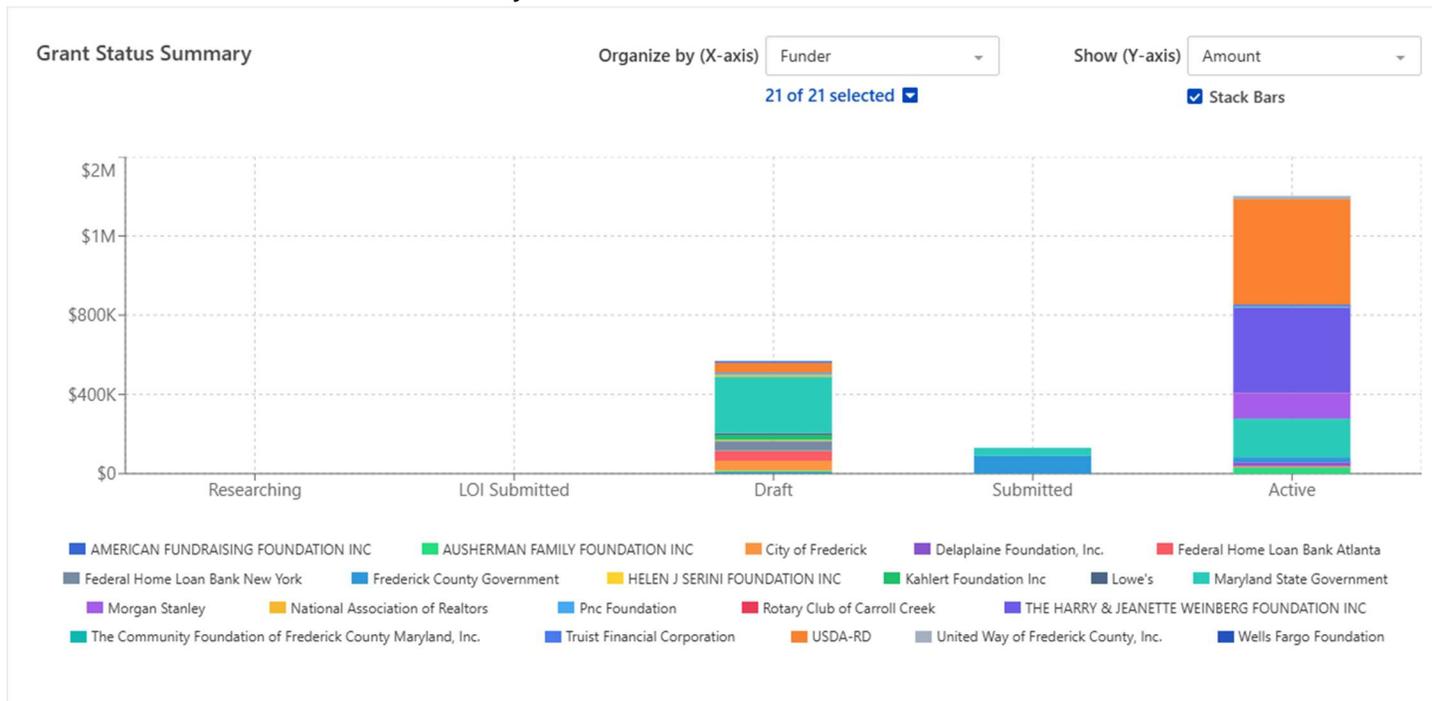
	<i>Entered Program</i>	<i>Next Steps</i>

Interfaith Housing Alliance Grant Funding Report – December 2025*

*Payments Scheduled for Awarded Grants Only***



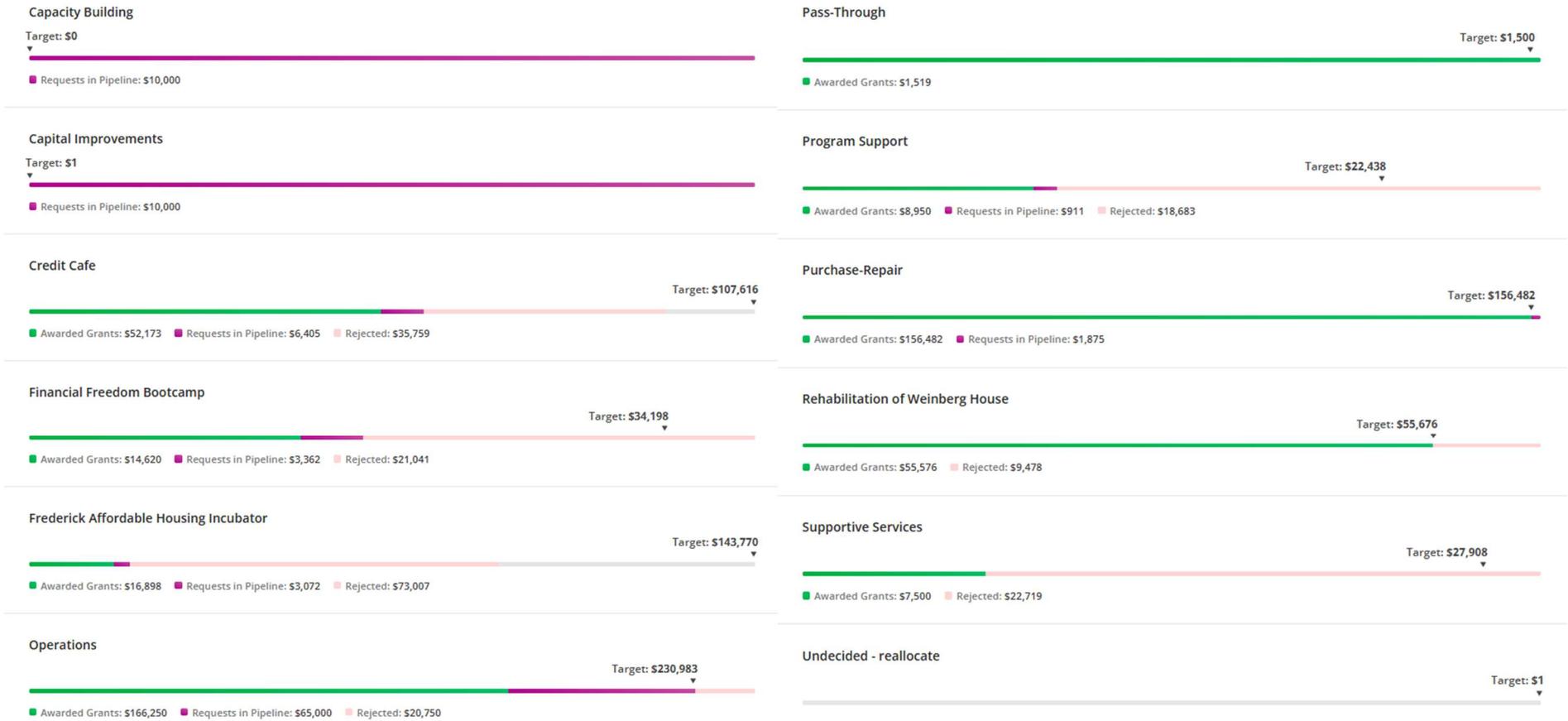
Distribution of Potential and Active Grant Funds across Funders



*as of January 20, 2026

** one-year extension and 6-month+ pause for USDA-RD grant

Distribution of Grant Applications across Cost Centers + Progress toward Budgeted Targets, FY26



**Interfaith Housing Alliance
Workshop Impact Report – December 2025***

