

Interfaith Family Services and Affiliates

**Consolidated Financial Statements
with Supplementary Information
September 30, 2025 and 2024**



Interfaith Family Services and Affiliates

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Independent Auditors' Report

To the Board of Directors of
Interfaith Family Services and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of Interfaith Family Services and Affiliates (nonprofit organizations) (collectively, the Organization), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
February 26, 2026

Interfaith Family Services and Affiliates
Consolidated Statements of Financial Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 313,724	\$ 905,862
Restricted cash and cash equivalents	18,716	73,304
Investments	1,306,690	834,021
Pledges receivable	59,109	41,775
Other receivables	-	24,048
Interest receivable	-	53,927
Prepaid expenses	61,490	85,674
Total current assets	1,759,729	2,018,611
Beneficial interest in assets held by others	13,286	12,206
Note receivable - new market tax credit	-	6,471,200
Property and equipment, net	9,524,334	9,830,853
Total assets	\$ 11,297,349	\$ 18,332,870
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 33,513	\$ 30,650
Accrued expenses	157,364	184,265
Grant refund payable	45,000	-
Deferred revenue - residency fees	-	7,297
Due to residents	18,716	370
Notes payable, current portion	57,912	47,793
Total current liabilities	312,505	270,375
Notes payable, net of current portion	475,502	8,978,187
Total liabilities	788,007	9,248,562
Net assets:		
Without donor restrictions:		
Board designated	68,256	618,128
Undesignated	10,322,328	8,168,125
Total net assets without donor restrictions	10,390,584	8,786,253
With donor restrictions	118,758	298,055
Total net assets	10,509,342	9,084,308
Total liabilities and net assets	\$ 11,297,349	\$ 18,332,870

See notes to consolidated financial statements.

Interfaith Family Services and Affiliates
Consolidated Statement of Activities
Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Contributions and grants	\$ 1,096,037	\$ 112,000	\$ 1,208,037
Contributions of nonfinancial assets	10,980	-	10,980
Childcare revenue	684,563	-	684,563
Other program revenue	310,056	-	310,056
Residency fees	38,761	-	38,761
Special events (net of direct costs of \$135,441)	246,944	-	246,944
Interest income	49,162	-	49,162
Investment income, net	46,085	-	46,085
Change in beneficial interest in assets held by others, net	1,080	-	1,080
Other	50,978	-	50,978
Net assets released from restriction	291,297	(291,297)	-
Total revenues and support	2,825,943	(179,297)	2,646,646
Operating expenses:			
Program services	2,410,612	-	2,410,612
Management and general	421,622	-	421,622
Fundraising	372,011	-	372,011
Total operating expenses	3,204,245	-	3,204,245
Non-operating income:			
Net gain on closing of new market tax credit	1,982,633	-	1,982,633
Total non-operating income	1,982,633	-	1,982,633
Change in net assets	1,604,331	(179,297)	1,425,034
Net assets, beginning of year	8,786,253	298,055	9,084,308
Net assets, end of year	\$ 10,390,584	\$ 118,758	\$ 10,509,342

See notes to consolidated financial statements.

Interfaith Family Services and Affiliates
Consolidated Statement of Activities
Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Contributions and grants	\$ 677,272	\$ 274,817	\$ 952,089
Childcare revenue	723,690	-	723,690
Other program revenue	325,811	-	325,811
Residency fees	19,610	-	19,610
Special events (net of direct costs of \$128,336)	191,638	-	191,638
Interest income	72,685	-	72,685
Investment income, net	52,639	-	52,639
Change in beneficial interest in assets held by others, net	3,080	-	3,080
Other	61,780	-	61,780
Net assets released from restriction	351	(351)	-
Total revenues and support	2,128,556	274,466	2,403,022
Operating expenses:			
Program services	2,625,549	-	2,625,549
Management and general	430,461	-	430,461
Fundraising	400,320	-	400,320
Total operating expenses	3,456,330	-	3,456,330
Change in net assets	(1,327,774)	274,466	(1,053,308)
Net assets, beginning of year	10,114,027	23,589	10,137,616
Net assets, end of year	\$ 8,786,253	\$ 298,055	\$ 9,084,308

See notes to consolidated financial statements.

Interfaith Family Services and Affiliates
Consolidated Statement of Functional Expenses
Year Ended September 30, 2025

	Program Services					Total Program Services	Supporting Services			Totals
	Children's Service	Childcare	Adult Education Programs	Home & Hope Residential Services	Community Relations		Management and General	Fundraising	Total Supporting Services	
Salaries, benefits and contract labor	\$ 237,186	\$ 525,581	\$ 143,653	\$ 249,195	\$ 20,907	\$ 1,176,522	\$ 332,806	\$ 273,383	\$ 606,189	\$ 1,782,711
Automotive	9,610	2,560	474	1,688	211	14,543	-	-	-	14,543
Depreciation	109,048	51,532	68,667	2,396	66,588	298,231	10,426	6,331	16,757	314,988
Grant refund	-	-	-	60,000	-	60,000	-	-	-	60,000
Interest and amortization	37,885	17,903	23,856	830	23,134	103,608	3,622	2,200	5,822	109,430
Materials and supplies	-	-	3,177	10,980	-	14,157	339	22,349	22,688	36,845
Office and postage	21,063	10,775	19,535	9,781	4,238	65,392	38,461	35,585	74,046	139,438
Other	27,805	40,724	31,358	23,149	1,077	124,113	25,088	25,088	50,176	174,289
Properties	93,638	35,828	70,983	89,610	2,324	292,383	10,880	7,075	17,955	310,338
Rent and utility assistance	-	-	13,092	2,400	-	15,492	-	-	-	15,492
Resident	48,744	44,960	10,791	141,649	27	246,171	-	-	-	246,171
Special events	-	-	-	-	-	-	-	135,441	135,441	135,441
Total expenses	584,979	729,863	385,586	591,678	118,506	2,410,612	421,622	507,452	929,074	3,339,686
Less expenses included with revenues on the consolidated statement of activities										
Direct costs of special events	-	-	-	-	-	-	-	(135,441)	(135,441)	(135,441)
Total expenses included in the expense section on the consolidated statement of activities	\$ 584,979	\$ 729,863	\$ 385,586	\$ 591,678	\$ 118,506	\$ 2,410,612	\$ 421,622	\$ 372,011	\$ 793,633	\$ 3,204,245

See notes to consolidated financial statements.

Interfaith Family Services and Affiliates
Consolidated Statement of Functional Expenses
Year Ended September 30, 2024

	Program Services					Total Program Services	Supporting Services			Totals
	Children's Service	Childcare	Adult Education Programs	Home & Hope Residential Services	Community Relations		Management and General	Fundraising	Total Supporting Services	
Salaries, benefits and contract labor	\$ 263,284	\$ 601,317	\$ 202,400	\$ 282,313	\$ 33,689	\$ 1,383,003	\$ 250,792	\$ 263,847	\$ 514,639	\$ 1,897,642
Advertising and marketing	-	-	-	-	-	-	-	8,035	8,035	8,035
Automotive	4,891	75	156	1,423	-	6,545	-	-	-	6,545
Depreciation	116,918	55,251	73,622	71,393	2,567	319,751	11,177	6,788	17,965	337,716
Interest and amortization	63,519	30,017	39,998	38,787	1,394	173,715	6,074	3,688	9,762	183,477
Materials and supplies	-	-	1,506	-	-	1,506	300	11,707	12,007	13,513
Office and postage	39,245	19,079	39,679	15,460	2,049	115,512	15,546	20,093	35,639	151,151
Other	4,834	6,586	-	129	-	11,549	22,932	14,790	37,722	49,271
Professional fees	-	-	-	-	-	-	103,027	64,676	167,703	167,703
Properties	112,316	56,067	71,534	92,924	2,509	335,350	20,613	6,696	27,309	362,659
Rent and utility assistance	-	-	5,183	64,482	-	69,665	-	-	-	69,665
Resident	32,628	42,060	14,444	119,566	255	208,953	-	-	-	208,953
Special events	-	-	-	-	-	-	-	128,336	128,336	128,336
Total expenses	637,635	810,452	448,522	686,477	42,463	2,625,549	430,461	528,656	959,117	3,584,666
Less expenses included with revenues on the consolidated statement of activities										
Direct costs of special events	-	-	-	-	-	-	-	(128,336)	(128,336)	(128,336)
Total expenses included in the expense section on the consolidated statement of activities	\$ 637,635	\$ 810,452	\$ 448,522	\$ 686,477	\$ 42,463	\$ 2,625,549	\$ 430,461	\$ 400,320	\$ 830,781	\$ 3,456,330

See notes to consolidated financial statements.

Interfaith Family Services and Affiliates
Consolidated Statements of Cash Flows
Years Ended September 30, 2025 and 2024

	2025	2024
Cash flow from operating activities:		
Change in net assets	\$ 1,425,034	\$ (1,053,308)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	314,988	337,716
Amortization of debt issuance cost	26,817	35,298
Net unrealized (gains) losses on investments	11,831	(5,181)
Net gain on closing of new market tax credit	(1,982,633)	-
Change in beneficial interest in assets held by others	(1,080)	(3,080)
Changes in operating assets and liabilities:		
Pledges receivable	(17,334)	(6,970)
Other receivables	24,048	84,635
Interest receivable	53,927	-
Prepaid expenses	24,184	(8,099)
Accounts payable	2,863	13,712
Accrued expenses	(26,901)	(20,553)
Grant refund payable	45,000	-
Deferred revenue - residency fees	(7,297)	(10,490)
Due to residents	18,346	(8,772)
Net cash used by operating activities	(88,207)	(645,092)
Cash flows from investing activities:		
Purchases of property and equipment	(8,469)	(7,662)
Purchases of investments	(484,500)	-
Proceeds from sale of investments	-	202,542
Net cash provided (used) by investing activities	(492,969)	194,880
Cash flows from financing activities:		
Payments on notes payable	(65,550)	(45,700)
Change in cash and cash equivalents	(646,726)	(495,912)
Cash and cash equivalents, beginning of year	979,166	1,475,078
Cash and cash equivalents, end of year	\$ 332,440	\$ 979,166
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 174,890	\$ 144,897
Reconciliation of cash and restricted cash and cash equivalents reported within the consolidated statements of financial position to the consolidated statements of cash flows:		
Cash and cash equivalents	\$ 313,724	\$ 905,862
Restricted cash and cash equivalents	18,716	73,304
Total cash and cash equivalents shown in the consolidated statements of cash flows	\$ 332,440	\$ 979,166

See notes to consolidated financial statements.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

1. Organization

Interfaith Family Services (IFS) is a nonprofit organization serving families in the Dallas area. IFS' mission is to empower families in crisis to break the cycle of poverty. IFS exclusively serves working poor families – 90% of whom consist of single mothers with children. IFS provides many layers of support to bring about systemic, enduring changes to Dallas-area homeless families by teaching, mentoring and supporting them with a nurturing community as well as accountability-based programs and services that strive to assist families in becoming self-sufficient.

In January 2018, IFS established two new 501(c)(3) entities, IFS Hope Center (Hope) and IFS Empowerment Center (Empowerment), for the purpose of entering into a New Market Tax Credit (NMTC) transaction.

IFS, Hope and Empowerment are collectively referred to as the Organization. The Organization is supported primarily by contributions from individuals, corporations, foundations and churches.

Program Services

The Organization's major programs are as follows:

Children's Service – is designed to stabilize homeless children through a combination of arts and crafts that emphasize creativity, play therapy to address emotional and social issues, individualized tutoring to address common academic gaps, and field trips and camps that expose children to the larger world.

Childcare – The Moody Family Childcare Center and its staff are fully licensed according to the Texas Child Care Licensing regulations and utilize the highly acclaimed Frog Street Curriculum. Childcare is free for unemployed clients enrolled in the Organization's program until Child Care Assistance is received. Discounted rates are offered to educators and law enforcement officers. Childcare is offered weekdays, evenings, and Saturdays and is open to both clients of the Organization and community members.

Adult Education Programs – provides career services and financial coaching in tandem to ensure that working poor families will not just earn more, but also have the tools and knowledge to allocate their earnings appropriately. The Organization's graduates can live at ease knowing that a loss of hours, family illness, or needed car repair will not thrust them into homelessness. By reducing debt, creating a savings safety net, and a weekly budget, clients are empowered to break the generational cycle of poverty.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

Home & Hope Residential Services – provides housing for homeless families in one of our 23 lovingly decorated, furnished apartments. The apartments are rent-free if families enter the program unemployed. Upon obtaining employment, the Organization requires a monthly occupancy charge of 30% of the net family income. To encourage savings, the Organization returns 100% of that charge to families who meet the savings target and successfully complete all other program requirements.

Community Relations – provides education to the community regarding the Organization’s programs and services.

2. Summary of Significant Accounting Policies

Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of IFS, Hope and Empowerment. Inter-organization transactions and balances have been eliminated.

Basis of Accounting

The Organization’s consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Consolidated Financial Statement Presentation

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

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors/trustees for the respective entity.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed), are reported as reclassifications between the applicable classes of net assets. Contributions with donor-imposed restrictions that are met in the same year as the contributions were received are reported as net assets without donor restrictions.

Financial Instruments and Credit and Market Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit and market risk consist principally of cash and cash equivalents and unconditional promises to give. The Organization maintains cash balances at financial institutions located in Texas. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2025, the Organization's uninsured balances totaled \$16,958. Management has placed these funds with high credit quality financial institutions to minimize risk. The Organization has not experienced any losses on such assets.

Pledges receivable are unsecured and are due from various donors. The Organization continually evaluates the collectability of pledges receivable and maintains allowances for potential losses, if considered necessary. No allowance was deemed necessary at September 30, 2025 or 2024. At September 30, 2025, approximately 100% of pledges receivable were due from four donors. At September 30, 2024, approximately 79% of pledges receivable were due from two donors. At September 30, 2025 and 2024 all pledges receivable were expected to be collected within one year.

For the year ended September 30, 2025, approximately 15% of contribution revenue was received from one donor. For the year ended September 30, 2024, approximately 24% of contribution revenue was received from one donor.

The Organization's operations are within the North Texas area. Therefore, results of operations and collectability of receivables are subject to the economic conditions of the area.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

Restricted Cash

Restricted cash represents cash restricted for residents and cash held in separate accounts to be used for debt service as required by the NMTC agreements. Amounts restricted for residents as of September 31, 2025 and 2024 totaled \$18,716 and \$370, respectively. Amounts required to be held in separate bank accounts to be used for debt service as required by the NMTC agreements as of September 30, 2024 totaled \$72,934. There were no amounts required to be held in a separate bank account to be used for debt service due to the NMTC closure during the year ended September 30, 2025.

Investments

Investments consist of a money market fund and U.S. government securities. Investments are recorded at their fair values in the accompanying consolidated statements of financial position. Changes in the fair values are reported in the consolidated statements of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of investments are included in the consolidated statements of activities.

Beneficial Interest in Assets Held by Others

Beneficial interest in assets held by others are valued based on underlying assets in the community foundation trust determined by third party trustees.

Note Receivable – New Market Tax Credit

The note receivable – NMTC is collateralized by the membership interests related to the NMTC transaction and is stated at the principal amount. The Organization has one class of financing receivables from a highly credible institution. Management assesses the credit quality of the NMTC note based on indicators such as collateralization and collection experience. As of September 30, 2024, no allowance has been established. The note receivable – NMTC was forgiven during the year ended September 30, 2025 when the Organization exercised the purchase option.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, fair market value at the date of the gift. The fair value of donated fixed assets is capitalized. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

Depreciation is calculated using the straight-line method based upon the estimated useful lives of the assets which range as follows:

Website, software, automobiles and video	5 years
Furniture, fixtures, computers and equipment	5 - 10 years
Landscaping and signage	15 years
Building and improvements	5 - 40 years
Leasehold improvements	Over the life of the lease

Impairment of Long-Lived Assets

Management of the Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows. No such loss was recognized during the years ended September 30, 2025 and 2024.

Loan Origination Fees

The loan origination fees associated with the notes payables listed in Note 7 are included in notes payable on the consolidated statements of financial position. Amortization of loan origination fees was \$26,817 and \$35,298 for the years ended September 30, 2025 and 2024, respectively, and is included in interest expense on the consolidated statements of functional expenses.

Deferred Revenue

The Organization collects certain program-related charges from participating families, including amounts designated as client savings and debt reduction savings. These funds are returned upon completing the program.

Retirement Plan

The Organization maintains a qualified cash or deferred compensation plan under Section 403(b) of the Internal Revenue Code that permits employees to make voluntary contributions. The Organization does not contribute to the retirement plan.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. The Organization considers government grants to be contributions. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position.

As of September 30, 2025, the Organization has approximately \$212,500 of conditional grants from various local and government agencies. The grants will be recognized as revenue when conditions, which include performance of allowable activities and incurring allowable expenses, are met. As of September 30, 2024, the Organization had approximately \$411,800 of conditional grants from various local and government agencies recognized as revenue in the year ended September 30, 2025.

Childcare revenue, residency fees and other program revenue are recognized as services are performed. Special event revenue is recognized at the date the event occurs. Advanced payments for special event sponsorships are reported as deferred revenue until the date of the event.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires the Organization's management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated between program services and supporting services based on managements' judgment considering space used, time spent on direct relation to the program or supporting service benefitted.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

Federal Income Taxes

IFS, Hope and Empowerment are exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and have not been classified as private foundations as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the years ended September 30, 2025 and 2024. Accordingly, no provision has been made for federal income tax in the accompanying consolidated financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of September 30, 2025 and 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

3. Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date. |
| Level 2 | Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies. |
| Level 3 | Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk. |

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, on a recurring basis and recognized in the accompanying consolidated statement of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy:

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

Money Market Fund

This fund is valued using \$1 for the net asset value (NAV) which is classified within level 1 of the hierarchy.

U.S. Government Securities

These securities are valued by a third-party pricing source using pricing models maximizing the use of observable inputs for same similar securities.

The following investments are valued as Level 1 investments under the fair value hierarchy as of September 30:

	2025	2024
Money market fund	\$ 1,306,690	\$ 20,265
U.S. government securities	-	813,756
Total investments	\$ 1,306,690	\$ 834,021

Net investment income consists of the following for the years ending September 30:

	2025	2024
Dividends and interest	\$ 57,916	\$ 47,458
Unrealized gains on investments	(11,831)	5,181
	\$ 46,085	\$ 52,639

The following table presents securities which represent 10% or more of total investments at September 30, 2025:

Dreyfus Treasury Obligation Cash Mgmt	100%
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The following table presents securities which represent 10% or more of total investments at September 30, 2024:

United States Treasury Bills Zero CPN	98%
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Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

4. Beneficial Interest in Assets Held by Others

The Organization has a beneficial interest in assets held by the Dallas Foundation valued at \$13,286 and \$12,206 as of September 30, 2025 and 2024, respectively. This consists of funds (Funds) contributed by donors and includes earnings thereon, net of distributions received.

Fair value of the Organization's beneficial interest in assets held by the Dallas Foundation is based on the value of the Organization's portion of the underlying investments in the Funds using valuation methods that are appropriate for those investments as determined by third-party trustees. These values are based on unobservable inputs and are considered Level 3 assets in the fair value hierarchy.

Withdrawals are permitted from the Funds as requested by the Organization. Any funds unspent in one year may remain in the portfolio and may be appropriated in the following fiscal year. The board of directors may also make special appropriations in addition to the annual provision.

The following table presents a rollforward of activity for assets held by the Dallas Foundation at fair value for the year ended September 30:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 12,206	\$ 9,126
Contributions	99	1,130
Total net investment gain included in change in net assets	<u>981</u>	<u>1,950</u>
Ending balance	<u>\$ 13,286</u>	<u>\$ 12,206</u>
The amount of total gains or losses for the period included in change in net assets attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	<u>\$ 1,023</u>	<u>\$ 912</u>

Total net gain from beneficial interest in assets held by others consisted of the following for the year ending September 30:

	<u>2025</u>	<u>2024</u>
Realized and unrealized gains	\$ 1,004	\$ 1,844
Dividends and interest	123	260
Less: investment fees	<u>(146)</u>	<u>(154)</u>
	<u>\$ 981</u>	<u>\$ 1,950</u>

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

5. Note Receivable – New Market Tax Credit

The Organization holds a note receivable associated with an investment fund in the principal amount of \$6,471,200 to be paid in 28 years with interest at 1%. Interest is due quarterly and principal and interest payments begin on December 10, 2026. The note matures on December 1, 2045. The note is secured by the amended and restated deed of trust. The balance due to the Organization at September 30, 2024 totaled \$6,471,200. During the year ended September 30, 2025, the Organization exercised its option to purchase the interest in the investment fund (as described in Note 7), at which time the note was forgiven in full.

6. Property and Equipment

Property and equipment consist of the following at September 30:

	2025	2024
Building and improvements	\$ 9,998,786	\$ 9,998,787
Land	1,391,067	1,391,066
Furniture and equipment	326,373	317,904
Automobiles	163,753	163,753
Computers and equipment	90,502	90,502
Landscaping	93,840	93,840
Signage	34,624	34,624
Website	13,300	13,300
Software	106,819	6,923
Video	5,000	5,000
Construction in progress	-	99,896
Leasehold improvements	70,234	70,234
Less: accumulated depreciation	(2,769,964)	(2,454,976)
	\$ 9,524,334	\$ 9,830,853

Depreciation expense totaled \$314,988 and \$337,716 for the years ended September 30, 2025 and 2024, respectively.

7. Notes Payable

NMTC is a federal tax credit program created to attract private investment for business and real estate developments in low income neighborhoods. The City of Dallas (City) created the Dallas Development Fund (DDF) to apply for a NMTC allocation. On January 10, 2018, the City authorized an approximately \$6 million NMTC transaction with DDF Mike, LLC (DDF Mike), the Organization and JPMorgan Chase (NA) (Bridge Lender). Pacesetter CDE, Inc., (Pacesetter), a

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

Texas non-profit corporation, also authorized a NMTC allocation of \$3.5 million. Loans totaling \$9,380,000, including \$9,280,000 to Empowerment and \$100,000 to Hope, were provided to help fund construction of the Family Empowerment Center and renovation of the Hope Center, collectively the Project. As part of the NMTC, the Organization also funded \$6,471,200 to Chase NMTC Interfaith Investment Fund, LLC (Investment Fund) as a leveraged lender. IFS has determined it expects to meet the requirements of a qualified active low-income community business (QALICB) throughout the entire period of the qualified low-income community investment. See Note 5 for the promissory note receivable and Note 7 for promissory notes payable. DDF, DDF Mike, Bridge Lender and Pacesetter are not related to the Organization.

The NMTC requires IFS to separately report the portion of the business (POB) and the portion of the Organization's business that is excluded from the POB which is referred to as the non-portion of business (NonPOB). The POB consists of operations of Empowerment and Hope and all other activity of the Organization with the exception of the NonPOB activity. The NonPOB consists of operating the three-building apartment complex that is owned by the Organization, the leverage loan, nonqualified financial property and any capital campaign contributions and grants that were received in connection with the development of Empowerment.

Notes payable consist of the following at September 30:

	2025	2024
Note payable dated June 29, 2022 to a bank in the principal amount of \$880,000 to be paid in 120 months with interest at 3.96%. The note is secured by the amended and restated deed of trust.	\$ 539,554	\$ 604,417
Note payable dated May 29, 2018 to DDF Mike in the principal amount of \$3,987,600 to be paid in 35 years with interest at 1.178%. The note is secured by the amended and restated deed of trust.	-	3,987,600
Note payable dated May 29, 2018 to DDF Mike in the principal amount of \$1,892,400 to be paid in 35 years with interest at 1.178%. The note is secured by the amended and restated deed of trust.	-	1,892,400
Note payable dated May 29, 2018 to Pacesetter in the principal amount of \$2,412,640 to be paid in 35 years with interest at 1.178%. The note is secured by the amended and restated deed of trust.	-	2,412,640
Note payable dated May 29, 2018 to Pacesetter in the principal amount of \$987,360 to be paid in 35 years with interest at 1.178%. The note is secured by the amended and restated deed of trust.	-	987,360
Note payable dated May 29, 2018 to Pacesetter in the principal amount of \$70,960 to be paid in 35 years with interest at 1.178%. The note is secured by the amended and restated deed of trust.	-	70,960
Note payable dated May 29, 2018 to Pacesetter in the principal amount of \$29,040 to be paid in 35 years with interest at 1.178%. The note is secured by the amended and restated deed of trust.	-	29,040
	539,554	9,984,417
Less: notes payable - current portion	(57,912)	(47,793)
Less: unamortized loan origination fees	(6,140)	(958,437)
	\$ 475,502	\$ 8,978,187

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

The Organization is not permitted to prepay any portion of the loans until the seventh anniversary of the NMTC transaction. After the seventh anniversary of the note receivable (See Note 5), Chase Community Equity, LLC (CCE) can exercise its put option to sell its interest in the Investment Fund to the Organization for \$1,000. If CCE does not exercise the put option, the Organization can exercise its call option to purchase the interest in the Investment Fund at fair market value. Immediately after the exit transactions are completed, the Organization will be the holder of the Investment Fund's note payable to the Organization, as such the note receivable – NMTC and the NMTC notes will be eliminated in the consolidated financial statements. After exercising its option to purchase the interest in the Investment Fund, the Organization opted to unwind the NMTC during the year ended September 30, 2025.

As a result of the NMTC closing, Empowerment realized a net gain totaling \$8,358,459, and Hope realized a net gain totaling \$95,374 on the forgiveness of debt from the NMTC unwind, and IFS realized a net loss totaling \$6,471,200. The consolidated net gain realized for the NMTC unwind totals \$1,982,633.

Future minimum principal payments on notes payable are as follows for the years ending September 30:

2026	\$	57,912
2027		60,247
2028		62,677
2029		65,204
2030		67,834
Thereafter		225,680
	\$	539,554

8. Net Assets without Donor Restrictions

Net assets without donor restrictions include net assets designated by the board of directors for the following purposes at September 30:

	2025	2024
Operating reserve	\$ -	\$ 426,577
Debt service	54,970	179,345
Board designated funds	13,286	12,206
	\$ 68,256	\$ 618,128

Interfaith Family Services and Affiliates
Notes to Consolidated Financial Statements

9. Accrued Expenses

Accrued expenses consist of the following at September 30:

	2025	2024
Accrued salaries and payroll tax	\$ 42,370	\$ 17,847
Accrued vacation	38,919	32,097
Accrued interest	4,188	96,465
Accrued credit card expenses	71,887	37,856
	\$ 157,364	\$ 184,265

10. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at September 30:

	2025	2024
Subject to expenditure for specified purpose:		
Adult education	\$ -	\$ 16,199
Adopt-a-Family	50,000	44,574
Home and hope	62,000	207,842
Childcare	-	18,125
Birthday project	4,015	4,015
Christmas Store	2,743	7,300
	\$ 118,758	\$ 298,055

11. Amounts Due to Residents for Savings Plan

As part of the temporary housing program, a savings plan and debt reduction plan is established by each resident, whereby the residents set aside funds with the Organization for their future savings and debt reduction needs. During the time that the resident is in the program, they work to reduce any outstanding debt. Upon completion of the program, the residents are paid their individual savings balance. The amounts due to residents totaled \$18,716 and \$370 at September 30, 2025 and 2024, respectively.

Interfaith Family Services and Affiliates
Notes to Consolidated Financial Statements

12. Financing Leases

On May 29, 2018, Empowerment and Hope entered into a 99 year ground lease agreement for the land located at 5600 Ross Avenue. The lease includes a \$1 bargain purchase price at the end of the lease. Hope recorded the asset and a related financing lease. The balance of the financing lease was \$93,594 and \$92,656 at September 30, 2025 and 2024, respectively.

On May 29, 2018, Hope and IFS entered into a 30 year sublease agreement for the existing building located at 5600 Ross Avenue. IFS recorded the asset and a related financing lease. The balance of the financing lease was \$117,493 and \$117,807 at September 30, 2025 and 2024, respectively.

On May 29, 2018, Empowerment and IFS entered into a 30 year premises lease. The lease was recorded as an operating lease during the Project's construction phase. After construction was completed on July 1, 2019, Empowerment and IFS entered into a 30 year sublease agreement for the land and improvements located on 1651 Matilda Street. IFS recorded the asset and a related financing lease. The balance of the financing lease was \$7,756,080 and \$7,659,096 at September 30, 2025 and 2024, respectively.

The following is a schedule of future minimum lease payments under the financing lease agreements for the years ending September 30:

2026		\$ 475,672
2027		450,195
2028		450,219
2029		450,243
2030		450,268
Thereafter		<u>8,066,892</u>
Total minimum lease payments		10,343,489
Less: amounts representing interest		<u>(2,376,322)</u>
Net present value of future minimum lease payments		<u>\$ 7,967,167</u>

On May 29, 2018, Empowerment and Hope entered into a 99 year ground lease agreement for the land located at 5600 Ross Avenue. The lease includes a \$1 bargain purchase price at the end of the lease. Empowerment recorded a financing lease receivable and disposed of the asset. The balance of the financing lease receivable was \$296,664 and \$297,813 at September 30, 2025 and 2024, respectively.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

On May 29, 2018, Hope and IFS entered into a 30 year sublease agreement for the existing building located at 5600 Ross Avenue. Hope recorded a financing lease receivable and disposed of the asset. The balance of the financing lease receivable was \$148,700 and \$151,700 at September 30, 2025 and 2024, respectively.

On July 1, 2019, Empowerment and IFS entered into a 30 year sublease agreement for the land and improvements located at 1651 Matilda Street. Empowerment recorded a financing lease receivable and disposed of the asset. The balance of the financing lease was \$9,898,125 and \$9,969,844 at September 30, 2025 and 2024, respectively.

The following is a schedule of future minimum lease payments under the financing lease receivables for the years ending September 30:

2026	\$ 475,672
2027	450,195
2028	450,219
2029	450,243
2030	450,268
Thereafter	<u>8,066,892</u>
Total minimum lease payments	<u><u>\$ 10,343,489</u></u>

The following includes lease cost and other required information on the financing leases for the year ended September 30, 2025:

	2025	2024
Total lease cost	<u>\$ 141,349</u>	<u>\$ 84,100</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from leases	<u>\$ 96,670</u>	<u>\$ 85,126</u>
Right-of-use asset in exchange for new lease liabilities	<u>\$ -</u>	<u>-</u>
Weighted-average remaining lease term:	<u>44.81</u>	<u>46.81</u>
Weighted-average discount rate:	<u>2.25%</u>	<u>2.25%</u>

All transactions related to the financing lease payables and receivables have been eliminated in consolidation as of and for the years ended September 30, 2025 and 2024.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

13. Contributions of Nonfinancial Assets

The Organization receives goods donated by various individuals and organizations. During the year ended September 30, 2025, the Organization recognized \$10,980 in donated goods. These contributions of nonfinancial assets were fully utilized for program services and were valued based on the fair market value of similar goods for sale online during the year ended September 30, 2025. There were no donor restrictions on the contributions of nonfinancial assets received during the year ended September 30, 2025.

14. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditure are as follows as of September 30:

	2025	2024
Cash and cash equivalents	\$ 332,440	\$ 979,166
Investments	1,306,690	834,021
Pledges receivable	59,109	41,775
Other receivables	-	24,048
Interest receivable	-	53,927
Beneficial interest in assets held by others	13,286	12,206
Total financial assets	1,711,525	1,945,143
Less amounts not available for general expenditures within one year:		
Designated by the board of directors	(68,256)	(618,128)
Cash restricted for debt service	-	(72,934)
Due to residents	(18,716)	(370)
	(86,972)	(691,432)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 1,624,553	\$ 1,253,711

The Organization receives contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year.

As a part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization regularly monitors liquidity and resources required to meet its operational needs and other contractual commitments. The Organization's board of directors regularly designates an operating reserve to help manage unanticipated liquidity needs. There were no board designated operating reserves as of September 30, 2025. There were board designated operating reserves totaling \$426,577 as of September 30, 2024. See Note 8.

Interfaith Family Services and Affiliates

Notes to Consolidated Financial Statements

15. Subsequent Events

The Organization has evaluated subsequent events through February 26, 2026, the date the financial statements were available to be issued and concluded that no additional disclosures are required.

Supplementary Information

See independent auditors' report.

Interfaith Family Services and Affiliates

Consolidating Statement of Financial Position

September 30, 2025

	Interfaith Family Services			IFS Empowerment Center	IFS Hope Center	Eliminations	Consolidated Total
	Interfaith POB	Interfaith Non-POB	Total Interfaith Family Services				
Assets							
Current assets:							
Cash and cash equivalents	\$ 313,724	\$ -	\$ 313,724	\$ -	\$ -	\$ -	\$ 313,724
Restricted cash and cash equivalents	18,716	-	18,716	-	-	-	18,716
Investments	1,306,690	-	1,306,690	-	-	-	1,306,690
Pledges receivable	59,109	-	59,109	-	-	-	59,109
Due (to)/from Interfaith Family Services	-	-	-	(334,330)	-	334,330	-
Due (to)/from IFS Empowerment Center	327,760	-	327,760	-	101,466	(429,226)	-
Due (to)/from IFS Hope Center	99,194	-	99,194	(73,914)	(99,194)	73,914	-
Financing lease receivable	-	-	-	468,530	4,200	(472,730)	-
Prepaid expenses	61,490	-	61,490	-	-	-	61,490
Total current assets	2,186,683	-	2,186,683	60,286	6,472	(493,712)	1,759,729
Beneficial interest in assets held by others	13,286	-	13,286	-	-	-	13,286
Financing lease receivable, net	-	-	-	9,726,259	144,500	(9,870,759)	-
Property, plant and equipment, net	6,129,290	-	6,129,290	376,360	43,614	2,975,070	9,524,334
Total assets	\$ 8,329,259	\$ -	\$ 8,329,259	\$ 10,162,905	\$ 194,586	\$ (7,389,401)	\$ 11,297,349
Liabilities and Net Assets (Deficit)							
Current liabilities:							
Accounts payable	\$ 33,513	\$ -	\$ 33,513	\$ -	\$ -	\$ -	\$ 33,513
Accrued expenses	153,176	-	153,176	-	4,188	-	157,364
Deferred interest revenue, current portion	-	-	-	-	31,111	(31,111)	-
Grant refund payable	45,000	-	45,000	-	-	-	45,000
Due to residents	18,716	-	18,716	-	-	-	18,716
Notes payable, current portion	57,912	-	57,912	-	-	-	57,912
Financing lease liability, current portion	140,200	-	140,200	-	1,149	(141,349)	-
Total current liabilities	448,517	-	448,517	-	36,448	(172,460)	312,505
Deferred interest revenue, net	-	-	-	2,345,211	-	(2,345,211)	-
Notes payable, net	475,502	-	475,502	-	-	-	475,502
Financing lease liability, net	7,733,373	-	7,733,373	-	92,445	(7,825,818)	-
Total liabilities	8,657,392	-	8,657,392	2,345,211	128,893	(10,343,489)	788,007
Net assets (deficit):							
Without donor restrictions:							
Board designated	68,256	-	68,256	-	-	-	68,256
Undesignated	(515,147)	-	(515,147)	7,817,694	65,693	2,954,088	10,322,328
Total net assets (deficit) without donor restrictions	(446,891)	-	(446,891)	7,817,694	65,693	2,954,088	10,390,584
With donor restrictions	118,758	-	118,758	-	-	-	118,758
Total net assets (deficit)	(328,133)	-	(328,133)	7,817,694	65,693	2,954,088	10,509,342
Total liabilities and net assets (deficit)	\$ 8,329,259	\$ -	\$ 8,329,259	\$ 10,162,905	\$ 194,586	\$ (7,389,401)	\$ 11,297,349

See independent auditors' report.

Interfaith Family Services and Affiliates

Consolidating Statement of Financial Position

September 30, 2024

	Interfaith Family Services		Total Interfaith Family Services	IFS Empowerment Center	IFS Hope Center	Eliminations	Consolidated Total
	Interfaith POB	Interfaith Non-POB					
Assets							
Current assets:							
Cash and cash equivalents	\$ 832,580	\$ 73,282	\$ 905,862	\$ -	\$ -	\$ -	\$ 905,862
Restricted cash and cash equivalents	370	-	370	72,934	-	-	73,304
Investments	834,021	-	834,021	-	-	-	834,021
Pledges receivable	41,775	-	41,775	-	-	-	41,775
Other receivables	24,048	-	24,048	-	-	-	24,048
Interest receivable	-	53,927	53,927	-	-	-	53,927
Due (to)/from Interfaith Family Services	948,131	(948,131)	-	(336,012)	-	336,012	-
Due (to)/from IFS Empowerment Center	471,995	(135,983)	336,012	-	75,063	(411,075)	-
Due (to)/from IFS Hope Center	71,853	-	71,853	(75,063)	(71,853)	75,063	-
Financing lease receivable	-	-	-	82,030	3,000	(85,030)	-
Prepaid expenses	85,674	-	85,674	-	-	-	85,674
Total current assets	3,310,447	(956,905)	2,353,542	(256,111)	6,210	(85,030)	2,018,611
Beneficial interest in assets held by others	12,206	-	12,206	-	-	-	12,206
Financing lease receivable, net	-	-	-	10,185,627	148,700	(10,334,327)	-
Note receivable - new market tax credit	-	6,471,200	6,471,200	-	-	-	6,471,200
Property, plant and equipment, net	6,111,755	321,995	6,433,750	402,301	48,294	2,946,508	9,830,853
Total assets	\$ 9,434,408	\$ 5,836,290	\$ 15,270,698	\$ 10,331,817	\$ 203,204	\$ (7,472,849)	\$ 18,332,870
Liabilities and Net Assets (Deficit)							
Current liabilities:							
Accounts payable	\$ 27,431	\$ 2,269	\$ 29,700	\$ -	\$ 950	\$ -	\$ 30,650
Accrued expenses	87,800	-	87,800	91,099	5,366	-	184,265
Deferred interest revenue, current portion	-	-	-	-	33,800	(33,800)	-
Deferred revenue - residency fees	-	7,297	7,297	-	-	-	7,297
Due to residents	370	-	370	-	-	-	370
Notes payable, current portion	-	47,793	47,793	-	-	-	47,793
Financing lease liability, current portion	84,000	-	84,000	-	1,126	(85,126)	-
Total current liabilities	199,601	57,359	256,960	91,099	41,242	(118,926)	270,375
Deferred interest revenue, net	-	-	-	2,515,998	-	(2,515,998)	-
Notes payable, net	-	549,569	549,569	8,333,368	95,250	-	8,978,187
Financing lease liability, net	7,692,903	-	7,692,903	-	91,530	(7,784,433)	-
Total liabilities	7,892,504	606,928	8,499,432	10,940,465	228,022	(10,419,357)	9,248,562
Net assets (deficit):							
Without donor restrictions:							
Board designated	618,128	-	618,128	-	-	-	618,128
Undesignated	625,721	5,229,362	5,855,083	(608,648)	(24,818)	2,946,508	8,168,125
Total net assets (deficit) without donor restrictions	1,243,849	5,229,362	6,473,211	(608,648)	(24,818)	2,946,508	8,786,253
With donor restrictions	298,055	-	298,055	-	-	-	298,055
Total net assets (deficit)	1,541,904	5,229,362	6,771,266	(608,648)	(24,818)	2,946,508	9,084,308
Total liabilities and net assets (deficit)	\$ 9,434,408	\$ 5,836,290	\$ 15,270,698	\$ 10,331,817	\$ 203,204	\$ (7,472,849)	\$ 18,332,870

See independent auditors' report.

Interfaith Family Services and Affiliates
Consolidating Statement of Activities
Year Ended September 30, 2025

	Interfaith Family Services			IFS Empowerment Center	IFS Hope Center	Eliminations	Consolidated Total
	Interfaith POB	Interfaith Non- POB	Total Interfaith Family Services				
Changes in net assets without donor restrictions:							
Revenues and support:							
Contributions and grants	\$ 1,096,037	\$ -	\$ 1,096,037	\$ -	\$ -	\$ -	\$ 1,096,037
Contributions of nonfinancial assets	10,980	-	10,980	-	-	-	10,980
Childcare revenue	684,563	-	684,563	-	-	-	684,563
Other program revenue	310,056	-	310,056	-	-	-	310,056
Residency fees	31,806	6,955	38,761	-	-	-	38,761
Special events (net of direct costs of \$135,441)	246,944	-	246,944	-	-	-	246,944
Interest income	2,066	47,096	49,162	171,114	2,485	(173,599)	49,162
Investment income, net	46,085	-	46,085	-	-	-	46,085
Change in beneficial interest in assets held by others, net	1,080	-	1,080	-	-	-	1,080
Other	50,978	-	50,978	-	-	-	50,978
Net assets released from restriction	291,297	-	291,297	-	-	-	291,297
Total revenues and support	2,771,892	54,051	2,825,943	171,114	2,485	(173,599)	2,825,943
Operating expenses:							
Program services	2,325,177	197,723	2,522,900	97,739	6,957	(216,984)	2,410,612
Management and general	411,191	2,021	413,212	3,417	243	4,750	421,622
Fundraising	337,506	1,227	338,733	2,075	148	31,055	372,011
Total operating expenses	3,073,874	200,971	3,274,845	103,231	7,348	(181,179)	3,204,245
Increase (decrease) in net assets without donor restrictions	(301,982)	(146,920)	(448,902)	67,883	(4,863)	7,580	(378,302)
Changes in net assets with donor restrictions:							
Contributions and grants	112,000	-	112,000	-	-	-	112,000
Net assets released from restriction	(291,297)	-	(291,297)	-	-	-	(291,297)
Decrease in net assets with donor restrictions	(179,297)	-	(179,297)	-	-	-	(179,297)
Non-operating income (loss)							
Gain (loss) on closing of new market tax credit	-	(6,471,200)	(6,471,200)	8,358,459	95,374	-	1,982,633
Transfer of assets	(1,388,758)	1,388,758	-	-	-	-	-
Total non-operating income (loss)	(1,388,758)	(5,082,442)	(6,471,200)	8,358,459	95,374	-	1,982,633
Change in net assets	(1,870,037)	(5,229,362)	(7,099,399)	8,426,342	90,511	7,580	1,425,034
Net assets (deficit) at beginning of year	1,541,904	5,229,362	6,771,266	(608,648)	(24,818)	2,946,508	9,084,308
Net assets (deficit) at end of year	\$ (328,133)	\$ -	\$ (328,133)	\$ 7,817,694	\$ 65,693	\$ 2,954,088	\$ 10,509,342

See independent auditors' report.

Interfaith Family Services and Affiliates
Consolidating Statement of Activities
Year Ended September 30, 2024

	Interfaith Family Services			IFS Empowerment Center	IFS Hope Center	Eliminations	Consolidated Total
	Interfaith POB	Interfaith Non- POB	Total Interfaith Family Services				
Changes in net assets without donor restrictions:							
Revenues and support:							
Contributions and grants	\$ 677,272	\$ -	\$ 677,272	\$ -	\$ -	\$ -	\$ 677,272
Childcare revenue	723,690	-	723,690	-	-	-	723,690
Other program revenue	325,811	-	325,811	-	-	-	325,811
Residency fees	-	19,610	19,610	-	-	-	19,610
Special events (net of direct costs of \$128,336)	191,638	-	191,638	-	-	-	191,638
Interest income	5,365	64,712	70,077	171,941	2,608	(171,941)	72,685
Investment income	52,639	-	52,639	-	-	-	52,639
Change in beneficial interest in assets held by others, net	3,080	-	3,080	-	-	-	3,080
Other	61,780	-	61,780	-	-	-	61,780
Net assets released from restriction	351	-	351	-	-	-	351
Total revenues and support	2,041,626	84,322	2,125,948	171,941	2,608	(171,941)	2,128,556
Operating expenses:							
Program services	2,370,265	251,131	2,621,396	188,618	10,602	(195,067)	2,625,549
Management and general	421,720	8,596	430,316	6,594	371	(6,820)	430,461
Fundraising	398,922	1,310	400,232	4,004	225	(4,141)	400,320
Total operating expenses	3,190,907	261,037	3,451,944	199,216	11,198	(206,028)	3,456,330
Increase (decrease) in net assets without donor restrictions	(1,149,281)	(176,715)	(1,325,996)	(27,275)	(8,590)	34,087	(1,327,774)
Changes in net assets with donor restrictions:							
Contributions and grants	274,817	-	274,817	-	-	-	274,817
Net assets released from restriction	(351)	-	(351)	-	-	-	(351)
Increase in net assets with donor restrictions	274,466	-	274,466	-	-	-	274,466
Change in net assets	(874,815)	(176,715)	(1,051,530)	(27,275)	(8,590)	34,087	(1,053,308)
Net assets (deficit) at beginning of year	2,416,719	5,406,077	7,822,796	(581,373)	(16,228)	2,912,421	10,137,616
Net assets (deficit) at end of year	\$ 1,541,904	\$ 5,229,362	\$ 6,771,266	\$ (608,648)	\$ (24,818)	\$ 2,946,508	\$ 9,084,308

See independent auditors' report.