



**Gorfine Schiller Gardyn**

Certified Public Accountants and Consultants



**INTERFAITH  
ALLIANCE**

PROTECTING FAITH AND FREEDOM

**THE INTERFAITH ALLIANCE  
FOUNDATION, INC.  
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**THE INTERFAITH ALLIANCE FOUNDATION, INC.  
AND AFFILIATE  
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*December 31, 2021 and 2020***

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## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors  
The Interfaith Alliance Foundation, Inc. and Affiliate  
Washington, D.C.**

### **Report on the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of The Interfaith Alliance Foundation, Inc. and Affiliate (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, the related consolidated statements of cash flows for the years then ended, the related consolidated statement of activities and functional expenses for the year ended December 31, 2021, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Interfaith Alliance Foundation, Inc. and Affiliate as of December 31, 2021 and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 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 Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 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 for one year after the date that the consolidated financial statements are issued or when applicable, one year after the date that the consolidated financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the 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 Summarized Comparative Information**

We have previously audited The Interfaith Alliance Foundation, Inc. and Affiliate's December 31, 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Martino, Schiller & Galdyn, P.A.*

**August 16, 2022**  
**Owings Mills, Maryland**

**CONSOLIDATED FINANCIAL STATEMENTS**

**THE INTERFAITH ALLIANCE FOUNDATION, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2021 and 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 618,286	\$ 406,323
Investments	9,323	7,156
Contributions and other receivables	119,127	46,383
Prepaid expenses	<u>5,479</u>	<u>4,285</u>
<b>Total current assets</b>	752,215	464,147
<b>OTHER ASSETS</b>		
Security deposits	<u>3,400</u>	<u>3,400</u>
<b>TOTAL ASSETS</b>	<u>\$ 755,615</u>	<u>\$ 467,547</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 29,649	\$ 29,927
<b>OTHER LIABILITIES</b>		
Salaries payable	<u>-</u>	<u>13,500</u>
<b>Total liabilities</b>	<u>29,649</u>	<u>43,427</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	690,966	386,620
Net assets with donor restrictions	<u>35,000</u>	<u>37,500</u>
<b>Total net assets</b>	<u>725,966</u>	<u>424,120</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 755,615</u>	<u>\$ 467,547</u>

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

**THE INTERFAITH ALLIANCE FOUNDATION, INC.  
AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
*For the Year Ended December 31, 2021 (With Comparative Totals for 2020)*

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE</b>				
Direct mail contributions	\$ 221,683	\$ -	\$ 221,683	\$ 202,276
Foundation grants	710,000	50,000	760,000	443,439
Other contributions and bequests	146,260	-	146,260	170,811
List rental income	-	-	-	107
Other income	385	-	385	7,058
Planned gifts	213,762	-	213,762	-
Donated services	12,000	-	12,000	26,001
Donated securities	2,173	-	2,173	-
Net assets released from restrictions	52,500	(52,500)	-	-
<b>Total revenue</b>	1,358,763	(2,500)	1,356,263	849,692
<b>FUNCTIONAL EXPENSES</b>				
Program services:				
Education, research and civil discourse	598,747	-	598,747	787,646
Grassroots organizing, religious outreach and issue advocacy	125,890	-	125,890	122,852
<b>Total program services</b>	724,637	-	724,637	910,498
Supporting services:				
Management and general	240,963	-	240,963	94,617
Fundraising	88,817	-	88,817	99,251
<b>Total supporting services</b>	329,780	-	329,780	193,868
<b>Total functional expenses</b>	1,054,417	-	1,054,417	1,104,366
<b>CHANGES IN NET ASSETS</b>	304,346	(2,500)	301,846	(254,674)
<b>NET ASSETS – Beginning of year</b>	(218,187)	37,500	424,120	678,794
<b>NET ASSETS – End of year</b>	\$ 86,159	\$ 35,000	\$ 725,966	\$ 424,120

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

**THE INTERFAITH ALLIANCE FOUNDATION, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 301,846	\$ (254,674)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Gain on investments	(2,167)	(1,476)
Changes in operating assets and liabilities:		
Contributions and other receivables	(72,744)	9,145
Pledges receivable	-	220,761
Prepaid expenses	(1,194)	8,151
Accounts payable and accrued expenses	(278)	(12,906)
Salaries payable	(13,500)	-
Security deposits	-	1,600
<b>Net cash provided by (used in) operating activities</b>	211,963	(29,399)
<b>CASH AND CASH EQUIVALENTS – Beginning of year</b>	406,323	435,722
<b>CASH AND CASH EQUIVALENTS – End of year</b>	<b>\$ 618,286</b>	<b>\$ 406,323</b>

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



**THE INTERFAITH ALLIANCE FOUNDATION, INC.  
AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
*For the Year Ended December 31, 2021 (With Comparative Totals for 2020)*

	<u>2021</u>				<u>2020</u>	
	<b>Education, Research and Civil Discourse</b>	<b>Grassroots Organizing, Religious Outreach and Issue Advocacy</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total</b>
Salaries, payroll taxes and benefits	\$ 429,600	\$ 84,456	\$ 164,481	\$ 45,476	\$ 724,013	\$ 709,597
Professional services	82,002	16,121	31,396	8,680	138,199	179,426
Direct mail	34,684	-	-	29,108	63,792	58,165
Occupancy	21,361	4,199	8,178	2,262	36,000	99,800
Advertising	490	96	188	52	826	11,120
Equipment rental and maintenance	3,730	733	1,428	395	6,286	6,158
Travel	971	191	372	102	1,636	781
Telephone and communications	12,310	2,420	4,713	1,303	20,746	11,568
Executive search	-	-	25,000	-	25,000	-
Field operations	-	15,000	-	-	15,000	1,553
Other	13,599	2,674	5,207	1,439	22,919	26,198
<b>Total expenses</b>	<u>\$ 598,747</u>	<u>\$ 125,890</u>	<u>\$ 240,963</u>	<u>\$ 88,817</u>	<u>\$ 1,054,417</u>	<u>\$ 1,104,366</u>

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

**THE INTERFAITH ALLIANCE FOUNDATION, INC.  
AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
*December 31, 2021 and 2020***

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**NOTE A – NATURE OF ORGANIZATION**

The Interfaith Alliance Foundation, Inc. and Affiliate, (the Organization) is a nonpartisan, grassroots organization that celebrates religious freedom by championing individual rights, promoting policies that protect both religion and democracy, and uniting diverse voices to challenge extremism. The Organization is comprised of The Interfaith Alliance Foundation, Inc. (TIAF), a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code (IRC), and The Interfaith Alliance, Inc. (TIA), a tax-exempt organization under section 501(c)(4) of the IRC.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Principles of Consolidation**

The consolidated financial statements include the accounts of TIAF and TIA due to the presence of common control and economic interest. All significant intercompany balances and transactions have been eliminated in consolidation.

**2. Estimates**

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. Cash and Cash Equivalents**

For financial reporting purposes, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**4. Contributions and Other Receivables**

The Organization provides an allowance for doubtful accounts based on management's review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances. As of December 31, 2021 and 2020, all amounts are due within one year and are deemed fully collectible. Therefore, no allowance is considered necessary by management.

**5. Pledges Receivable**

Pledges are discounted to net present value with an applicable interest rate, less an allowance for uncollectible amounts, and are recorded as contribution revenue and receivables in the year pledged. There were no pledges receivable for 2021 or 2020.

## **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

### **6. Investments**

Investments are reported at fair value. 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.

### **7. Net Asset Classification**

The Organization follows Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, *Not-for Profit Entities* (FASB ASC 958). Under FASB ASC 958, the Organization 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 with donor restrictions includes all gifts from grantors that are restricted in some manner to their use or time. This restriction can be temporarily restricted or permanently restricted. Net assets with permanent donor restrictions would be designated by the donors to be invested in perpetuity. The Organization did not have any net assets with permanent donor restrictions as of December 31, 2021 and 2020.

### **8. Revenue Recognition**

Contribution and grant revenue is recognized when received, or if a promise to give, when the unconditional promise is made, or if conditional, when the condition is met. Bequest revenue is recognized when the probate courts decide the will is valid and the proceeds are measurable. Other revenues are recognized when earned.

### **9. Allocation of Functional Expenses**

The Organization presents its expenses on a functional basis, separating program expenses from management and general and fundraising expenses. Salaries and related costs are allocated based on time employees spend on each function. Other expenses are specifically allocated whenever practical, or are allocated based on the salary allocation. Costs of activities with both fundraising and program aspects are allocated on a functional basis if the activity includes a clear call to action, and the target audience has both the reasonable potential to take and benefit from the action called for.

### **10. Income Taxes**

TIAF and TIA are generally exempt from federal and state income taxes. Contributions to TIAF are tax deductible. The Organization follows the provisions of the Financial Accounting Standards Codification, *Accounting for Income Taxes*. This topic requires the Organization to recognize or disclose any tax positions that would result in unrecognized tax benefits. The Organization has no positions that would require disclosure or recognition under the topic. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### **11. Comparative Summarized Data**

The amounts presented for the year ended December 31, 2020 in the accompanying consolidated statement of activities and functional expenses are included to provide a basis for comparison with 2021, and present summarized totals only. Accordingly, the 2020 totals are not intended to present all of the information required for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2020, from which the summarized information was derived.

## **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

### **12. Reclassifications**

Certain reclassifications have been made to the prior financial statements to conform to the current year presentation.

### **13. Recent Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-02, *Accounting for Leases*, which requires that all leases greater than twelve months be presented on the statements of financial position. The new standard, as amended by subsequent Accounting Standards Updates, is effective for the year ending December 31, 2022. The Organization will evaluate the effect that implementation of the new standard will have on its financial position.

### **14. Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 16, 2022, the date the financial statements were available to be issued.

## **NOTE C – RETIREMENT PLANS**

### **403(b) Plan**

The Organization maintains a defined contribution 403(b) profit sharing plan for all employees with at least six months of service and who are over 18 years of age. Participants may make voluntary contributions up to the maximum amount allowed by law. The Organization may make discretionary matching contributions to participating employees. The Organization contributed \$13,514 and \$13,040 to the 403(b) plan for the years ended December 31, 2021 and 2020.

## **NOTE D – LEASE COMMITMENTS**

In May 2018, the Organization entered in to a lease for office space on a year-to-year basis at \$7,100 per month. The lease was amended in September 2019 and again in March 2020, as the Organization required more space. In September 2020, as the Organization needed less space due to the COVID-19 pandemic, the lease was amended to reduce rent to \$3,000 per month, on a year-to-year basis.

Rent expense under the lease was \$36,000 and \$98,200 for the years ended December 31, 2021 and 2020, respectively.

## **NOTE E – ALLOCATION OF JOINT COSTS**

The Organization conducts direct mail campaigns, which include both appeals for contributions and program components. The Organization allocates the expenses incurred for direct mailing pieces that meet the criteria for allocation among the functional expenses to which the costs relate. The allocation is based on analysis of the content of the mailings.

### **NOTE E – ALLOCATION OF JOINT COSTS – Continued**

Total costs of the mailings which were allocated are as follows for the years ended December 31, 2021 and 2020:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Education, research and civil discourse	\$ 34,684	\$ 33,113
Fundraising	<u>29,108</u>	<u>25,052</u>
	<b><u>\$ 63,792</u></b>	<b><u>\$ 58,165</u></b>

### **NOTE F – CASH CONCENTRATION**

The Organization maintains its cash in commercial banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. As of December 31, 2021, approximately \$110,000 exceeded the FDIC insurance limits. The Organization does not believe that it is exposed to any significant risks on such deposits.

### **NOTE G – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions had the following restrictions as of December 31, 2021 and 2020:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Policy personnel	\$ -	\$ 37,500
Field operation and expansion	<u>35,000</u>	<u>-</u>
	<b><u>\$ 35,000</u></b>	<b><u>\$ 37,500</u></b>

### **NOTE H – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of December 31, 2021 and 2020:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Cash and cash equivalents	\$ 618,286	\$ 406,323
Investments	9,323	7,156
Contributions and other receivables	<u>119,127</u>	<u>46,383</u>
<b>Total financial assets available within one year</b>	746,736	459,862
Less contributions with donor restrictions for specific purposes	<u>(35,000)</u>	<u>(37,500)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b><u>\$ 711,736</u></b>	<b><u>\$ 422,362</u></b>

**NOTE H – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – Continued**

As 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. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization’s cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of the Organization’s cash flow related to various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. The Organization will continue its efforts for fundraising throughout 2022 to support the Organization and if necessary expenses and programs can be reduced to ensure cash is available to meet funding needs.

**NOTE I – COVID-19 IMPACT**

The Organization’s business is operating in an environment in which a pandemic exists in relation to the novel coronavirus, COVID-19. As of the date of these financial statements, the Organization does not have any additional liabilities resulting from COVID-19 and its operations have not been significantly impacted by the virus.