

INTERFAITH SOCIAL SERVICES, INC.
QUINCY, MASSACHUSETTS
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2020

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Independent Auditors' Report

To the Board of Directors of
Interfaith Social Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Interfaith Social Services, Inc., which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Social Services, Inc. as of June 30, 2020 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.

Campbell, DeVasto & Associates, LLP
Brighton, Massachusetts
October 15, 2020

CAMPBELL, DEVASTO & ASSOCIATES, LLP - CERTIFIED PUBLIC ACCOUNTANTS

**INTERFAITH SOCIAL SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020**

Assets:

Cash		\$	425,643
Inventory			67,683
Fees and Pledges Receivable			3,648
Gift Cards			2,725
Prepaid Insurance			2,005
Prepaid - Other			<u>13,421</u>
Total Current Assets			515,125
Investments			470,496
Fixed Assets at Cost:			
Land	\$		50,000
Buildings		515,213	
Building Improvements		389,923	
Office Furniture, Equipment & Software		<u>166,617</u>	
		1,121,753	
Less: Allowance for Depreciation		<u>(400,564)</u>	<u>721,189</u>
Total Long Term Assets			<u>1,191,685</u>
Total Assets			<u>\$ 1,706,810</u>

Liabilities and Net Assets:

Liabilities:

Accounts Payable		\$	29,189
Payroll Withholdings			208
Accrued Payroll			42,079
Deferred Revenue			<u>26,630</u>
Total Current Liabilities			98,106

Net Assets:

Without Donor Restrictions			1,533,523
With Donor Restrictions			<u>75,181</u>
Total Net Assets			<u>1,608,704</u>
Total Liabilities and Net Assets			<u>\$ 1,706,810</u>

See Auditors' Report and Accompanying Notes

**INTERFAITH SOCIAL SERVICES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020**

Changes in Net Assets Without Donor Restrictions:

Support:

Individuals	\$	373,111
Organizations & Businesses		76,396
Foundation Grants		371,180
Donated Goods & Services		1,282,689
Bureau Drawer Thrift Shop		115,346
Fundraising Events Contributions		315,894
Net Assets Released from Restrictions Due to Satisfaction of Program Restrictions		<u>10,000</u>
Total Support		2,544,616

Revenue:

Program Service Fees		84,534
Fundraising Events Revenue	\$ 115,989	
Fundraising Events Direct Benefits to Donors	<u>104,594</u>	11,395
Interest		6,110
Miscellaneous Income		<u>510</u>
Total Revenue		102,549

Total Support & Revenue 2,647,165

Expenditures: (See Schedule)

Program Services:

Counseling		226,426
Homelessness Prevention		73,485
Food Pantry		1,622,408
Bureau Drawer		<u>61,356</u>
Total Program Services		1,983,675

Supporting Services:

Management and General		118,448
Fundraising		<u>201,236</u>
Total Supporting Services		319,684

Total Expenditures 2,303,359

Increase (decrease) in Net Assets Without Donor Restrictions 343,806

Changes in Net Assets With Donor Restrictions:

Grants and Contributions for Future Activities		75,181
Nets Assets Released from Restrictions		<u>(10,000)</u>
Increase (decrease) in Net Assets With Donor Restrictions		65,181

Increase (Decrease) in Net Assets

408,987

Net Assets at Beginning of Year

1,199,717

Net Assets at End of Year

\$ 1,608,704

See Auditors' Report and Accompanying Notes

**INTERFAITH SOCIAL SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

Cash Flows From Operating Activities

Increase (Decrease) in Net Assets	\$	408,987
Adjustments to Reconcile Changes in Net Assets to Cash Provided by (Used In) Operating Activities:		
Interest Certificates of Deposit and Savings Accounts		(3,746)
Depreciation		43,677
Uncollectible Accounts		3,569
Decrease (Increase) in Operating Assets:		
Fees and Pledges Receivable		(2,877)
Donated Gift Cards		515
Prepaid Expenses		18,725
Inventory		(29,324)
Increase (Decrease) in Cash Arising from:		
Accounts Payable		9,955
Deferred Revenue		15,030
Retirement Plan Payable		(795)
Payroll Withholdings		(457)
Accrued Payroll		12,936
Total Adjustments		67,208
Net Cash Provided by (Used In) Operating Activities		476,195
Cash Flows From Investing Activities		
Capital Expenditures		(25,039)
Maturing of Certificates of Deposit		38,311
Purchase of Investments		(288,311)
Net Cash Provided By (Used In) Investing Activities		(275,039)
Cash Flows From Financing Activities		
Net Cash Provided By (Used In) Financing Activities		-
Net Increase (Decrease) In Cash And Cash Equivalents		201,156
Cash And Cash Equivalents At Beginning Of Year		224,487
Cash And Cash Equivalents At End Of Year	\$	425,643

See Auditors' Report and Accompanying Notes

INTERFAITH SOCIAL SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	COUNSELING	HOMELESSNESS	FOOD	BUREAU	ADMIN	FUND-	TOTAL
	PREVENTION	PREVENTION	PANTRY	DRAWER		RAISING	
Salaries	\$ 83,308	\$ 34,458	\$ 151,964	\$ 20,447	\$ 46,731	\$ 92,416	\$ 429,324
Payroll Taxes	7,309	3,048	14,401	1,772	4,044	8,062	38,636
Other Employee Benefits	3,790	1,692	2,930	421	3,154	1,124	13,111
Health Insurance	2,616	2,231	4,259	2,149	2,941	2,255	16,451
Retirement	4,838	2,139	9,920	1,643	2,973	5,418	26,931
Workers' Compensation	1,270	115	2,424	1,443	289	231	5,772
Professional Fees	94,837	-	371	-	34,074	28,976	158,258
Director's Officer's Ins	-	-	-	-	1,066	-	1,066
Printing	-	-	-	-	-	20,053	20,053
Office Supplies & Expense	1,111	203	3,858	2,443	462	1,208	9,285
Equipment Rentals	-	-	-	-	751	-	751
Telephone	1,421	129	2,739	1,615	323	258	6,485
Technology	447	195	2,398	507	3,138	1,943	8,628
Dues & Subscriptions	-	-	-	-	1,358	-	1,358
Advertising	2,574	293	4,338	3,444	1,002	13,887	25,538
Postage	303	103	1,438	-	508	7,411	9,763
Occupancy	10,388	1,011	21,498	12,232	1,788	1,997	48,914
Local Transportation	8	-	7,158	-	1,419	173	8,758
Conferences & Meetings	660	-	-	-	1,125	20	1,805
Purchased Food	-	-	58,322	-	-	-	58,322
Donated Food	-	-	1,167,727	-	-	-	1,167,727
Medical Assistance	-	1,163	-	-	-	-	1,163
Donated Toys & Gifts	-	-	63,300	-	-	-	63,300
Seasonal Items	-	-	49,091	-	-	-	49,091
Housing Assistance	-	25,203	-	-	-	-	25,203
Other Assistance	-	-	7,382	-	-	-	7,382
Uncollectible Accounts	2,264	-	-	-	-	1,305	3,569
Other Expenditures	1,093	455	17,858	3,934	9,441	13,313	46,094
General Insurance	1,528	139	2,916	1,736	347	278	6,944
Subtotal	219,765	72,577	1,596,292	53,786	116,934	200,328	2,259,682
Depreciation	6,661	908	26,116	7,570	1,514	908	43,677
Subtotal	226,426	73,485	1,622,408	61,356	118,448	201,236	2,303,359
Direct Benefits to Donors	-	-	-	-	-	104,594	104,594
Total	\$ 226,426	\$ 73,485	\$ 1,622,408	\$ 61,356	\$ 118,448	\$ 305,830	\$ 2,407,953

See Auditors' Report and Accompanying Notes

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Nature of Activities

Founded in 1947, Interfaith Social Services, Inc. (the Organization) is dedicated to improving life for South Shore families and individuals in need. Our unique approach relies on a team of volunteers, donors and community partners to deliver compassionate, client-centered programs focused on hunger, mental health, and emergency assistance.

Interfaith Social Services, Inc. provides food and clothing for needy families through the Pantry Shelf and Career Closet programs which are staffed by volunteers. The Organization's New Directions Counseling Center provides counseling services on a generous sliding-fee scale to adults, children, couples and families. Homesafe is a homelessness prevention and emergency assistance program. The Bureau Drawer Thrift Shop offers low cost clothing and household goods to the community.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Support and Revenue

Contributions are generally available for unrestricted use in the related fiscal year unless specifically restricted by the donor. If a donor restriction expires in the same year as the donation is received, the donation is classified as unrestricted support. Unconditional promises to give are recorded when received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or restricted purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the reporting period. The principal estimates used in preparing the financial statements are the determination of the fair value of investments, the allowance for bad debts, the allocation of expenses amongst programs, the net asset classification of contributions, the valuation of donated goods and services and the allocation of the investment return to the various classes of net assets. Actual results could differ from those estimates.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Advertising Costs

The Organization has adopted the policy of expensing all advertising costs in the period incurred.

Depreciation and Amortization

Property and equipment purchased for \$2,000 or more is capitalized at cost and depreciated using the straight-line method over the estimated useful life. Buildings and improvements are estimated at 30-50 years and furniture and equipment are estimated at 3-10 years.

Financial Statement Presentation

Accounting principles generally accepted in the United States of America require the Organization to report information regarding its financial position and activities according to two classes of net assets (without donor restrictions and with donor restrictions) based upon the existence or absence of donor-imposed restrictions. In addition, the Organization is required to present a statement of cash flows. Accounting principles generally accepted in the United States of America also require that contributions received are recorded as without donor restrictions and with donor restrictions support, depending on the existence and/or nature of any donor restrictions. In addition, the Organization has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Basis of Accounting

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

Functional Allocation of Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditures not directly chargeable are allocated to a program based on square footage for occupancy costs and direct labor for payroll related costs. Payroll taxes and employee benefits are allocated based on payroll and depreciation, utilities, insurance, interest and repairs & maintenance are allocated to programs and administration based on square footage.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Valuation and Income Recognition

Investments are carried at fair value, as determined by quoted market prices or derived by a computerized valuation model, with the change in market value being reported in the statement of activities. Realized gains or losses on the sale of investment securities are computed by the specific identification method. Interest and dividends are recorded on the accrual basis.

Fair Value Hierarchy

Accounting principles generally accepted in the United States of America have established a hierarchical framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments held by the Organization are measured using inputs from one of the three levels of the fair value hierarchy. Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are as follows:

Level 1 – Valuation is based on quoted prices in active markets for identical assets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

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

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. Level 3 assets include financial instruments whose value is determined using unobservable inputs to pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Organization recognizes transfers between levels as if transfers occurred on the last day of the reporting period. There were no transfers in the year ended June 30, 2020.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

Interfaith Social Services, Inc. is classified by the Internal Revenue Service as a publicly supported organization under Internal Revenue Code Section 509(a) and is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken, including the position that the Organization qualifies as a tax-exempt organization, and recognize a tax liability 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 June 30, 2020, there were no uncertain tax positions that require disclosure in the financial statements. No interest or penalties were recorded in fiscal 2020.

NOTE 3 – FEES & PLEDGES RECEIVABLE

Fees and pledges receivable consisted of counseling fees of \$3,648. A reserve for uncollectible accounts was not required.

NOTE 4 – CONCENTRATION OF CREDIT RISK

The Organization's bank deposits periodically exceed federally insured limits. The Organization has not experienced losses in such accounts and believes it is not exposed to any significant risks on bank deposits. At June 30, 2020 there was \$175,000 in excess of federally insured limits in the Organization's accounts.

NOTE 5 – BUREAU DRAWER

The "Bureau Drawer" was instituted in 1975 to receive donations of articles which might be sold to provide funds for the operation of the agency. Income is recorded in the Bureau Drawer Fund when such donated articles are sold, \$115,346 in 2020, and at yearend when the inventory is valued, \$38,371 in 2020. Volunteer services valued at \$172,414 were not recorded in the financial statements.

NOTE 6 – RETIREMENT PLAN

Interfaith Social Services, Inc. sponsors a retirement plan under IRS code section 401(k) covering eligible employees. The Organization switched from a 403(b) plan to the 401(k) plan in June 2018. The Organization's policy is to fund at a specified percentage of an employee's earnings. The Organization contributed \$26,931 to the 401(k) plan in fiscal 2020. Eligible employees may also contribute a portion of their annual compensation subject to IRS limitations.

NOTE 7 – ADA BACON FUND

Interfaith Social Services, Inc. receives funds from the Ada Bacon Fund for disbursement to persons in need of medical assistance on the South Shore. During the year ended June 30, 2020 additional cash contributions of \$463 were received and additional cash distributions of \$1,163 were made.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 15, 2020 which is the date the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.

NOTE 9 – INVENTORY

The inventory at June 30, 2020 consisted of food in the amount of \$29,312 and clothing in the amount of approximately \$38,371. The value of food was estimated using an average unit value and the value of clothing was estimated using standard thrift shop prices.

NOTE 10 – DONATED GOODS AND SERVICES

Interfaith Social Services, Inc. records the value of donated goods using two valuation methods depending on how it is received. Food that is donated directly to the Organization is valued based on a count of the number of bags and boxes donated, the average weight of each bag and box and a dollar value of a pound of food based on a Feeding America study. Weight checks are conducted throughout the year to develop an average weight. The dollar value of food is based on the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology prepared by an international CPA firm dated December 31, 2017 and 2018 prepared for Feeding America for use by member food banks. The value of food received from The Greater Boston Food Bank (GBFB) is reported to us each week and is based on GBFB's cost, USDA stated value or GBFB valuation, which is similar to the valuation described above for direct donations. The value of all donated clothing to the thrift shop is determined by how much bidders and buyers pay for them. Toys and gifts are valued at retail. Volunteer services are estimated using an accounting of hours donated and a rate of \$32.96 per hour, based on IndependentSector.org's annual calculations.

Donated goods are reflected as contributions in the accompanying statements. The value of donated goods included in the financial statements for the year ended June 30, 2020 is as follows:

Food – Pantry Shelf	\$ 1,167,727
Christmas Toys and Gifts	63,300
Backpacks	43,561
Feed The Hungry	58,807
Stop the Stigma 5K	500
Donated Clothing and House Goods sold	<u>123,447</u>
Total Donated Goods	<u>\$ 1,457,342</u>

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Interfaith Social Services, Inc. does not record the value of donated services in the accompanying statements. The value of these donated services for the year ended June 30, 2020 is as follows:

Volunteer Services – Pantry Shelf	\$ 284,445
Volunteer Services – Bureau Drawer	172,414
Volunteer Services – Administrative	47,199
Volunteer Services – Fundraising	<u>25,643</u>
Total Donated Services	<u>\$ 529,701</u>

NOTE 11 – SUPPLEMENTAL DISCLOSURES REGARDING CASH FLOWS

Payments made by the Organization for interest and income taxes were as follows:

Interest paid	\$0
Income taxes paid	\$0

NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes as of June 30, 2020:

Building	\$ 7,500
Pantry and Counseling Programs	15,000
General Operating Expenses Year Ended 6/30/21	50,000
Purchase of Backpacks	<u>2,681</u>
Total Temporarily Restricted Net Assets	<u>\$ 75,181</u>

Net assets were released from restrictions in the amount of \$10,000 for the Counseling program during the year ended June 30, 2020.

INTERFAITH SOCIAL SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 13 – INVESTMENTS

Investments at June 30, 2020 are summarized as follows:

Certificate of Deposit at 2.66% with a twenty month term due 12/3/20	\$ 5,337
Certificate of Deposit at 1.98% with a twenty four month term due 6/26/21	5,264
Certificate of Deposit at 0.995% with a six month term due 9/28/20	15,748
Certificate of Deposit at 2.57% with a fifteen month term due 8/28/2020	11,163
Certificate of Deposit at 1.75% with a three year term due 11/27/20	26,160
Certificate of Deposit at 1.85% with a four year term due 11/27/21	26,228
Certificate of Deposit at 1.95% with a five year term due 11/27/22	26,297
Certificate of Deposit at 1.75% with a twenty four month term due 3/21/21	5,000
Money Market Account at 2.40%	76,602
Certificate of Deposit at 2.08% with a thirteen month term due 3/25/2021	22,697
Certificate of Deposit at 1.0% with a thirteen month term due 6/20/21	75,000
Certificate of Deposit at .90% with a thirteen month term due 7/29/21	75,000
Certificate of Deposit at 1.10% with a twenty four month term due 5/27/22	<u>100,000</u>
Total Investments	<u>\$ 470,496</u>

The composition of the investment return (loss) as reported in the statement of activities for the year ended June 30, 2020 as follows:

	<u>Unrestricted</u>
Income on Investments Consisting of Interest	\$ 3,746
Net Realized Gain	<u>-</u>
Return on Investments	<u>\$ 3,746</u>

Fair Value Hierarchy

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020.

Certificate of deposits and bank money market accounts are valued at cost which approximates fair value.

Common and preferred stocks: Valued based on quoted market prices.

Mutual and money market funds: Valued at the net asset value of the shares held at year end.

Debt securities: Valued based on pricing models that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, credit spreads and new issue data.

INTERFAITH SOCIAL SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 13 – INVESTMENTS (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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.

Investments at Fair Value on a Recurring Basis

The following table presents the Organization’s fair value hierarchy as described in Note 2 for investments measured at fair value on a recurring basis as of June 30, 2020:

<u>Description</u>	<u>Total Fair Value</u>	<u>Fair Value Measurement</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 393,894	-	\$ 393,894	-
Money Market Account	\$ 76,602	-	\$ 76,602	-
Total Investments	<u>\$ 470,496</u>	<u>\$ -</u>	<u>\$ 470,496</u>	<u>\$ -</u>

NOTE 14 – AVAILABLE RESOURCES AND LIQUIDITY

The Organization has \$827,331 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$350,462, fees and pledges receivable of \$3,648, gift cards of \$2,725 and investments of \$470,496. Financial assets available have been reduced by \$75,181 (cash) which is subject to donor restriction that may make them unavailable for general expenditure within one year of the balance sheet date. Investments include certificates of deposit with a term of more than one year that are available with a small interest penalty. The fees and pledges receivable are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist primarily of cash and short-term investments, on hand to meet 10 months of budgeted general cash operating expenses for the next year, which are approximately \$947,000. The Organization generally anticipates a balanced budget for the next year and separate fundraising, as necessary, is done for any anticipated significant capital expenditures. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificate of deposits.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 15 - COVID-19

In response to an order by the Governor of the Commonwealth of Massachusetts related to the Coronavirus (COVID-19) pandemic, in March 2020 most local businesses were required to close operations indefinitely. The Organization's food pantry was considered an essential business and was permitted to stay open. The Organization's New Directions Counseling Center transitioned to a telemedicine model to continue serving clients. The Organization does not know what the overall effect on its operations from the COVID-19 pandemic will be beyond fiscal year 2020.