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January 29, 2014

Board of Directors
Interfaith Hospitality Network
of Greater Fort Wayne
2925 E. State Blvd.
Fort Wayne, IN 46805

We have reviewed the audit report prepared by Krouse, Kern & Co., Inc., Independent Public Accountant, for the period January 1, 2009 to December 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Interfaith Hospitality Network of Greater Fort Wayne, as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.

FORT WAYNE, INDIANA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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Galen D. Maust P.C.

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Interfaith Hospitality Network of Greater Fort Wayne, Inc.
Fort Wayne, Indiana

I have audited the accompanying statements of financial position of Interfaith Hospitality Network of Greater Fort Wayne, Inc. as of December 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Hospitality Network of Greater Fort Wayne, Inc. at December 31, 2009 and 2008, and the results of its activities and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Galen D. Maust, C.P.A.

July 20, 2010

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.

Statements of Financial Position

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 98,419	\$ 505,463
Receivables:		
Pledges (Note 2)	9,500	37,050
Grants (Note 2)	190,150	99,908
Accrued Interest	0	1,216
Donations	0	500
Prepaid Expenses	2,627	1,159
Property and Equipment - Net (Note 3)	<u>759,982</u>	<u>416,324</u>
TOTAL ASSETS	\$ <u>1,060,678</u>	\$ <u>1,061,620</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts Payable	\$ 123,034	\$ 90,513
Payroll Withholding and Accruals	0	3,653
Accrued Salaries and Wages	3,052	7,029
Accrued SIMPLE Employee Pension Plan	0	5,205
Accrued Interest Expense	0	1,990
Note Payable (Note 6)	<u>0</u>	<u>251,500</u>
Total Liabilities	<u>126,086</u>	<u>359,890</u>
Net Assets:		
Unrestricted	856,266	509,460
Temporarily Restricted (Note 5)	<u>78,326</u>	<u>192,270</u>
Total Net Assets	<u>934,592</u>	<u>701,730</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,060,678</u>	\$ <u>1,061,620</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THE FINANCIAL STATEMENTS.

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.

Statements of Activities
For the Years Ended December 31, 2009 and 2008

	Unrestricted	Temporarily Restricted	Total All Funds	
			2009	2008
Public Support				
Government Grants	\$ 2,230	\$ 294,770	\$ 297,000	\$ 44,442
Contributions In-Kind	158,513	4,183	162,696	90,209
Contributions and Grants	81,562	108,246	189,808	492,476
Total Public Support	<u>242,305</u>	<u>407,199</u>	<u>649,504</u>	<u>627,127</u>
Revenues				
Interest Income	476	3,015	3,491	6,471
Loss on Disposition of Equipment	-1,860	0	-1,860	0
Service Fees	0	0	0	5,400
Special Events	342	1,785	2,127	4,609
Total Revenues	<u>-1,042</u>	<u>4,800</u>	<u>3,758</u>	<u>16,480</u>
Net Assets Released from Restrictions				
Satisfaction of Building & Equipment Acquisition Restrictions	356,510	-356,510	0	0
Satisfaction of Program Restrictions	169,433	-169,433	0	0
Total Net Assets Released from Restrictions	<u>525,943</u>	<u>-525,943</u>	<u>0</u>	<u>0</u>
TOTAL PUBLIC SUPPORT, REVENUES AND OTHER GAINS				
	<u>767,206</u>	<u>-113,944</u>	<u>653,262</u>	<u>643,607</u>
Expenses				
Program Services	349,960	0	349,960	270,458
Management and General	45,292	0	45,292	37,082
Fundraising	23,204	0	23,204	69,280
Payments to Affiliates	0	0	0	3,125
Capital Campaign	1,944	0	1,944	19,272
TOTAL EXPENSES	<u>420,400</u>	<u>0</u>	<u>420,400</u>	<u>399,217</u>
CHANGE IN NET ASSETS	346,806	-113,944	232,862	244,390
NET ASSETS - BEGINNING OF YEAR	<u>509,460</u>	<u>192,270</u>	<u>701,730</u>	<u>457,340</u>
NET ASSETS - END OF YEAR	<u>\$ 856,266</u>	<u>\$ 78,326</u>	<u>\$ 934,592</u>	<u>\$ 701,730</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.

Statements of Functional Expenses
For the Years Ended December 31, 2009 and 2008

	Program Services	Management & General	Fundraising	2009	2008
Salaries	\$ 231,151	\$ 32,741	\$ 9,092	\$ 272,984	\$ 205,798
Employee Benefits	0	111	0	111	5,477
Payroll Taxes	10,804	1,940	695	13,439	12,299
Total Salaries and Related Expenses	241,955	34,792	9,787	286,534	223,574
Guest Meals	57,578	0	0	57,578	46,880
Guest Rent and Security Deposits	975	0	0	975	4,212
Guest Utility Assistance	1,023	0	0	1,023	280
Guest Assistance-Other	187	0	0	187	1,877
Guest Childcare	829	0	0	829	3,606
Guest Transportation Assistance	1,688	0	0	1,688	2,009
Guest Van and Trailer Maintenance	1,117	0	0	1,117	3,812
Program Supplies	3,008	0	0	3,008	1,889
Office Supplies	5,263	292	292	5,847	7,257
Telephone	837	1,831	0	2,668	5,073
Postage and Shipping	930	52	52	1,034	1,393
Professional Services	0	6,099	0	6,099	3,659
Dues, Subscriptions and Permits	815	45	45	905	1,516
Insurance	7,559	420	420	8,399	11,718
Utilities	11,668	648	648	12,964	3,715
Repairs and Maintenance	3,737	208	208	4,153	3,057
Security	118	7	7	132	366
Printing and Publications	0	0	2,132	2,132	17,505
Public Relations	0	0	636	636	5,536
Grant Writing Fees	0	0	2,488	2,488	2,950
Employee Mileage	343	85	23	451	8,297
Continuing Education	0	0	0	0	8,797
Miscellaneous	0	239	69	308	619
Interest Expense	0	0	5,823	5,823	1,990
Total Expense Before Depreciation	339,630	44,718	22,630	406,978	371,587
Depreciation	10,330	574	574	11,478	5,233
Total Expenses	\$ 349,960	\$ 45,292	\$ 23,204	\$ 418,456	\$ 376,820

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.

Statements of Cash Flows
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN NET ASSETS	\$ 232,862	\$ 244,390
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	11,478	5,233
Loss on Disposition of Equipment	1,860	0
Decrease in Pledges Receivable	27,550	102,767
(Increase) Decrease in Grants Receivable	-90,242	12,626
(Increase) Decrease in Prepaid Expenses	-1,468	499
(Increase) Decrease in Accrued Interest	1,216	-1,216
(Increase) Decrease in Donations Receivable	500	-500
Increase in Accounts Payable	32,521	84,891
Decrease in Payroll Withholding & Accruals	-3,653	-558
Increase (Decrease) in Accrued Salaries & Wages	-3,977	589
Decrease in Accrued SIMPLE Employee Pension Plan	-5,205	-3,552
Increase (Decrease) in Accrued Interest Expense	-1,990	1,990
Decrease in Unearned Revenue	0	-2,700
	<u>201,452</u>	<u>444,459</u>
Net Cash Provided by Operating Activities	201,452	444,459
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Land and Building	-346,214	-399,967
Purchase of Equipment	-10,782	-2,663
	<u>-356,996</u>	<u>-402,630</u>
Net Cash Used in Investing Activities	-356,996	-402,630
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of Short-Term Borrowing	-251,500	0
Proceeds from Short-Term Borrowing	0	251,500
	<u>-251,500</u>	<u>251,500</u>
Net Cash Provided by (Used in) Financing Activities	-251,500	251,500
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-407,044	293,329
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>505,463</u>	<u>212,134</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 98,419</u>	<u>\$ 505,463</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THE FINANCIAL STATEMENTS.

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.

Notes to Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Interfaith Hospitality Network of Greater Fort Wayne, Inc. (IHN) provides care to homeless families. The IHN Center provides a permanent address for guests while in the program and enables children to continue to attend their school of origin. IHN works with other agencies to aid guests in their pursuit of housing and/or job searches.

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Accrual Basis

The financial statements include the accounts of the Organization and were prepared on the accrual basis of accounting.

Financial Statement Presentation

Under Statement of Financial Accounting Standards No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Contributions

In accordance with Statement of Financial Accounting Standards No. 116, Contributions received are recorded as unrestricted, temporarily

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.

Notes to Financial Statements (Continued)

restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Cash Equivalents

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

Land, Building and Equipment

The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$500; the fair market value of donated capital services, property and equipment is similarly capitalized.

Donated Materials and Services

Donated materials and services are reflected in these financial statements as public support received and operating expenses to the extent there is an objective basis available to measure the value of such materials and services.

Allocation of Functional Expenditures

Expenditures are allocated to programs and supporting services based on the nature of the expenditure. Certain of the allocations are based on management's estimates of employees' time devoted to the various services.

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.

Notes to Financial Statements (Continued)

NOTE 2. RECEIVABLES

Pledges and grants receivable includes unconditional promises to give as follows:

Allen County Commissioners-CDBG	\$114,354
City of Fort Wayne-Local ESG	19,190
Foellinger Foundation	20,000
Community Foundation of Greater FW	20,000
Auer Foundation	10,000
Other donors	<u>16,106</u>
	<u>\$199,650</u>

All of the pledges are due within one year; thus, there is no discount for present value.

NOTE 3. PROPERTY AND EQUIPMENT DEPRECIATION

Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets. At December 31, 2009, the costs of such assets were as follows:

		<u>2009</u>
Land		\$121,405
Building	40 Years	634,776
Vehicles	5 Years	28,135
Equipment	3-7 Years	<u>27,287</u>
Total Cost		811,603
Less: Accumulated		
Depreciation		<u>51,621</u>
Net		<u>\$759,982</u>

NOTE 4. OPERATING LEASE

The Organization leased its Day Center under an operating lease that expired October 17, 2008. The rental fee was \$1 per year. The

INTERFAITH HOSPITALITY NETWORK OF GREATER FORT WAYNE, INC.
Notes to Financial Statements (Continued)

Organization purchased land and buildings on October 31, 2008, and renovated for their use. These premises were occupied during the current year.

NOTE 5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2009, are available for the following purpose:

Building, Improvements & Eqpt	\$11,230
Future Periods	<u>67,096</u>
	<u>\$78,326</u>

NOTE 6. NOTE PAYABLE

The Organization borrowed money from a local bank to purchase the land and building at the location where they moved during the year. The note dated October 31, 2008 had a principal balance of \$251,500 which was paid off during the year ended December 31, 2009.