

INTERFAITH CAREGIVERS
OF WASHINGTON COUNTY, INC.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021

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Kieckhafer, Dietzler, Hauser, Hanson LLP

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Interfaith Caregivers of Washington County, Inc.
West Bend, Wisconsin

We have reviewed the accompanying financial statements of Interfaith Caregivers of Washington County, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2022 and 2021, and the related statements of revenue and expenses - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Interfaith Caregivers of Washington County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our conclusion is not modified with respect to this matter.

Kieckhafer, Dietzler, Hauser, Hanson LLP

Kieckhafer, Dietzler, Hauser, Hanson LLP
West Bend, Wisconsin

March 23, 2023

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS -
 MODIFIED CASH BASIS
 December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 166,981	\$ 321,916
Certificates of deposit	402,115	200,706
Certificate of deposit - restricted for unemployment	10,068	10,023
Investments	13,141	-
Prepaid expense	29,320	4,258
Right-of-use asset - net	41,421	-
Property and equipment - net	<u>174,991</u>	<u>227,731</u>
TOTAL ASSETS	<u><u>\$ 838,037</u></u>	<u><u>\$ 764,634</u></u>
LIABILITIES AND NET ASSETS		
Accrued liabilities	\$ 1,507	\$ 3,582
Lease liability	41,421	-
Net assets		
Without donor restrictions	755,109	736,052
With donor restrictions	<u>40,000</u>	<u>25,000</u>
	<u>795,109</u>	<u>761,052</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 838,037</u></u>	<u><u>\$ 764,634</u></u>

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 STATEMENT OF REVENUE AND EXPENSES - MODIFIED CASH BASIS
 For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
NET ASSETS			
Revenue and other support:			
Contributions	\$ 117,024	\$ -	\$ 117,024
United Way	73,111	-	73,111
Grants	273,705	40,000	313,705
Fundraising events	62,429	-	62,429
Less: cost of direct benefit to participants	(9,103)	-	(9,103)
Program fees	9,000	-	9,000
Donated goods and services	10,662	-	10,662
Unrealized gain(loss) on investments	(1,173)	-	(1,173)
Interest income	2,920	-	2,920
Miscellaneous revenue	110	-	110
Net assets released from restrictions	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	563,685	15,000	578,685
Expenses:			
Program services	451,653	-	451,653
Supporting services:			
Fundraising	41,621	-	41,621
Management and general	<u>51,354</u>	<u>-</u>	<u>51,354</u>
TOTAL EXPENSES	<u>544,628</u>	<u>-</u>	<u>544,628</u>
INCREASE IN NET ASSETS	19,057	15,000	34,057
BEGINNING NET ASSETS	<u>736,052</u>	<u>25,000</u>	<u>761,052</u>
ENDING NET ASSETS	<u><u>\$ 755,109</u></u>	<u><u>\$ 40,000</u></u>	<u><u>\$ 795,109</u></u>

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 STATEMENT OF REVENUE AND EXPENSES - MODIFIED CASH BASIS
 For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
NET ASSETS			
Revenue and other support:			
Contributions	\$ 81,371	\$ -	\$ 81,371
United Way	68,974	-	68,974
Grants	392,151	25,000	417,151
Fundraising events	50,642	-	50,642
Less: cost of direct benefit to participants	(6,012)	-	(6,012)
Program fees	1,774	-	1,774
Donated goods and services	7,942	-	7,942
Gain on sale of fixed assets	2,783	-	2,783
Interest income	1,139	-	1,139
Miscellaneous revenue	36	-	36
Net assets released from restrictions	<u>22,000</u>	<u>(22,000)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	622,800	3,000	625,800
Expenses:			
Program services	451,396	-	451,396
Supporting services:			
Fundraising	38,043	-	38,043
Management and general	<u>61,626</u>	<u>-</u>	<u>61,626</u>
TOTAL EXPENSES	<u>551,065</u>	<u>-</u>	<u>551,065</u>
INCREASE IN NET ASSETS	71,735	3,000	74,735
BEGINNING NET ASSETS	<u>664,317</u>	<u>22,000</u>	<u>686,317</u>
ENDING NET ASSETS	<u><u>\$ 736,052</u></u>	<u><u>\$ 25,000</u></u>	<u><u>\$ 761,052</u></u>

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For the Year Ended December 31, 2022

	Program Services	Supporting Services		Direct Benefit to Participants	Total
		Fundraising	Management and General		
Employee wages	\$ 188,051	\$ 21,698	\$ 31,342	\$ -	\$ 241,091
Payroll taxes	14,386	1,660	2,398	-	18,444
Advertising	-	-	-	-	-
Automobile expense	64,349	-	-	-	64,349
Conference and travel	1,158	-	-	-	1,158
Depreciation	67,885	627	906	-	69,418
Dues and subscription	500	-	2,472	-	2,972
Employee health insurance	9,009	1,039	1,501	-	11,549
Equipment	3,621	453	452	-	4,526
Fundraising events	-	8,905	-	9,103	18,008
H.E.L.P. Corner expense	20,641	-	-	-	20,641
Inkind donations	8,885	903	874	-	10,662
Insurance	5,097	-	-	-	5,097
Interest expense	-	-	106	-	106
Internet expense	1,248	156	156	-	1,560
Licenses and permits	-	-	74	-	74
Marketing	1,585	13	625	-	2,223
Miscellaneous expense	850	-	656	-	1,506
Office supplies	2,511	1,256	1,256	-	5,023
Personal property tax	-	-	125	-	125
Postage	1,481	185	185	-	1,851
Printing and publications	2,531	2,531	2,531	-	7,593
Professional fees	9,884	-	3,500	-	13,384
Program expense	9,335	-	-	-	9,335
Rent	10,908	1,364	1,364	-	13,636
Telephone	2,635	329	329	-	3,293
Utilities	4,016	502	502	-	5,020
Volunteer recruitment	21,087	-	-	-	21,087
Total expenses	451,653	41,621	51,354	9,103	553,731
Less: expenses that offset revenue	-	-	-	(9,103)	(9,103)
Total expenses per statement of activities	\$ 451,653	\$ 41,621	\$ 51,354	\$ -	\$ 544,628

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For the Year Ended December 31, 2021

	Program Services	Supporting Services		Direct Benefit to Participants	Total
		Fundraising	Management and General		
Employee wages	\$ 197,401	\$ 23,376	\$ 38,961	\$ -	\$ 259,738
Payroll taxes	15,102	1,788	2,980	-	19,870
Advertising	-	-	793	-	793
Automobile expense	43,604	-	-	-	43,604
Conference and travel	1,395	-	-	-	1,395
Depreciation	70,286	434	724	-	71,444
Dues and subscription	847	-	1,197	-	2,044
Employee health insurance	24,977	2,958	4,930	-	32,865
Fundraising events	-	3,539	-	6,012	9,551
H.E.L.P. Corner expense	20,147	-	-	-	20,147
Inkind donations	7,942	-	-	-	7,942
Insurance	4,754	-	-	-	4,754
Interest expense	-	-	26	-	26
Internet expense	1,248	156	156	-	1,560
Licenses and permits	-	-	64	-	64
Marketing	789	281	156	-	1,226
Miscellaneous expense	121	-	1,051	-	1,172
Office supplies	2,044	1,022	1,022	-	4,088
Personal property tax	-	-	158	-	158
Postage	973	122	122	-	1,217
Printing and publications	2,049	2,049	2,049	-	6,147
Professional fees	7,822	328	5,247	-	13,397
Program expense	20,745	-	-	-	20,745
Rent	9,588	1,199	1,199	-	11,986
Telephone	2,451	306	306	-	3,063
Utilities	3,879	485	485	-	4,849
Volunteer recruitment	13,232	-	-	-	13,232
Total expenses	451,396	38,043	61,626	6,012	557,077
Less: expenses that offset revenue	-	-	-	(6,012)	(6,012)
Total expenses per statement of activities	\$ 451,396	\$ 38,043	\$ 61,626	\$ -	\$ 551,065

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
 For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 34,057	\$ 74,735
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	69,418	71,444
Change in unrealized (gain) loss	1,173	-
Donation of stock	(14,166)	-
Gain on sale of fixed assets	-	(2,783)
Decrease in:		
Prepaid expense	(25,062)	5,894
Right-of-use asset	(41,421)	-
Decrease in:		
Accrued liabilities	(2,075)	(430)
Lease liability	41,421	-
	<u>63,345</u>	<u>148,860</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in certificate of deposit	(201,454)	(200,707)
Increase in restricted certificate of deposit	-	(6,852)
Purchases of property and equipment	(16,678)	(68,209)
Proceeds from disposal of property and equipment	-	2,783
Reinvestment of dividends on investment	(148)	-
	<u>(218,280)</u>	<u>(272,985)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	(154,935)	(124,125)
BEGINNING CASH	<u>321,916</u>	<u>446,041</u>
ENDING CASH	<u>\$ 166,981</u>	<u>\$ 321,916</u>

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies affecting the financial statements of Interfaith Caregivers of Washington County, Inc. (the Organization):

a) Nature of Organization

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and is not a private foundation. The Organization was formed in 2003 for the purpose of providing support for a network of volunteers who assist older adults and those with chronic medical conditions (residents of Washington County) in maintaining their independence through assistance with everyday tasks and through transportation to medical appointments.

b) Basis of Accounting

Generally accepted accounting principles require income to be recognized when earned and expenses to be recognized when incurred. The Organization prepares its financial statements on the modified cash basis of accounting, thus revenue is recognized when received rather than earned and expenses are recognized when paid rather than incurred. Modifications to this are the recognition of depreciation expense and related accumulated depreciation on its property and equipment, recognition of investments at fair value, recognition of accrued liabilities, and recognition of assets and liabilities related to the building leases.

c) Cash

Cash consists of cash in operating checking accounts and savings accounts.

d) Investments

Investments are presented at fair value based on quoted market prices.

e) Property, Equipment and Depreciation

Property and equipment is stated at cost or, if donated, at the approximate fair market value at the date of donation. Minor additions and repairs are expensed in the year incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 10 years.

f) Presentation of Net Assets

As required by accounting standards, the Organization reports net assets in one of two categories: net assets without restrictions and net assets with restrictions.

g) Revenue and Expense Classifications

The Organization receives its revenue primarily through contributions from individuals or foundations in Washington County, United Way, grants, and fundraising events. The expenses of providing programs and supporting services have been reported on a functional basis in the statement of revenue and expenses and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on estimates made by management.

h) Uncertain Tax Positions

The Organization's current accounting policy is to disclose liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor is it aware of any exposure to unrelated business income tax. The Organization files tax returns in the U.S. federal jurisdiction and the state of Wisconsin. The Organization does not have any tax returns currently under examination by a federal or state jurisdiction.

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- i) Advertising
Advertising costs are expensed as they are paid.
- j) Uninsured Cash Balances
The Organization maintains cash balances at two financial institutions. These balances may at times exceed the federally insured limit of \$250,000. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.
- k) Use of Estimates
The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- l) Date of Management Evaluation
Management has evaluated subsequent events through March 23, 2023, the date the financial statements were available to be issued.
- m) Accounting Pronouncements Adopted
Effective January 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. The Organization also adopted the practical expedient for the incremental borrowing rate allowing the US treasury rate to be used.

The adoption of FASB ASC 842 resulted in the recognition of right-of-use assets, net of prepaid lease payments and lease incentives, of \$48,443 and lease liability of \$48,443 as of January 1, 2022. An additional lease began in February 2022 with an increase to right-of-use assets of \$6,198 and lease liability of \$6,198. Results for periods prior to January 1, 2022 continue to be reported in accordance with historical accounting treatment. The adoption of FASB ASC 842 did not have a material impact on the Organization's results of operations, cash flows or debt covenants. See Note 7 for additional disclosures.

The Organization also adopted, effective January 1, 2022, FASB Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. See Note 2 for details.

NOTE 2 - DONATED SERVICES

A significant portion of the Organization's functions are conducted by unpaid volunteers and board members. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition.

The Organization received donations of rent and office supplies, which are contributed nonfinancial assets and all were used by the Organization. The value of these donations is reflected in the financial statements as an increase in donated goods and services and as an increase in appropriate related expenses, totaling \$10,662 and \$7,942 for the years ended December 31, 2022 and 2021, respectively.

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS AND FAIR VALUE DISCLOSURE

The Organization's investments are held by Fidelity Investments and consist of donated shares of stock received during 2022. The fair value of these investments are readily marketable and are determined by obtaining quoted prices on a nationally recognized securities exchange (Level 1 inputs as defined by Financial Accounting Standard Board).

Investments, at fair value (and all Level 1 inputs), at December 31, 2022 consist of the following:

	<u>Fair Market Value</u>	<u>Cost</u>
Money market	\$ 148	\$ 148
Equity mutual fund	<u>12,993</u>	<u>14,166</u>
	<u>\$ 13,141</u>	<u>\$ 14,314</u>

The components of investment income for the year ended December 31, 2022 consist of the following:

Interest and dividend income	\$ 48
Unrealized loss on investments	<u>(1,173)</u>
	<u>\$ (1,125)</u>

NOTE 4 - PROPERTY, EQUIPMENT AND DEPRECIATION

The Organization maintains property and equipment at December 31, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 378,017	\$ 378,017
Leasehold improvements	52,885	36,207
Computers	10,117	10,117
Office equipment	<u>6,263</u>	<u>6,263</u>
	447,282	430,604
Accumulated depreciation	<u>(272,291)</u>	<u>(202,873)</u>
	<u>\$ 174,991</u>	<u>\$ 227,731</u>

Depreciation is calculated based on the straight line method over 3-10 years. Depreciation expense was \$69,418 and \$71,444 for the years ended December 31, 2022 and 2021, respectively.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Healthy Community Fund for transportation	\$ 25,000	\$ 25,000
Bader foundation	<u>15,000</u>	<u>-</u>
	<u>\$ 40,000</u>	<u>\$ 25,000</u>

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS

NOTE 6 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions is comprised of undesignated amounts and amounts designated for unemployment at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 745,011	\$ 726,029
Designated for unemployment	<u>10,068</u>	<u>10,023</u>
	<u>\$ 755,109</u>	<u>\$ 736,052</u>

NOTE 7 - LEASES

The Organization leases its office space under operating leases with up to 10 year initial terms. The Organization has no finance leases at December 31, 2022. The agreements provide for minimum lease payments and do not include variable payments. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The components of lease expense are as follows for the year ending December 31, 2022:

Operating lease cost	\$15,438
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Supplemental cash flow information related to leases for the year ending December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$15,438
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Supplemental balance sheet information related to leases is as follows at December 31, 2022:

Operating right-of-use assets	\$ 54,641
Accumulated amortization	<u>(13,220)</u>
Net operating ROU assets	<u>\$ 41,421</u>

Operating lease liabilities	
Current operating liabilities	\$ 13,991
Noncurrent operating lease liabilities	<u>27,430</u>
Total operating lease liabilities	<u>\$ 41,421</u>

Weighted-average remaining lease term: Operating leases	2.8 years
Weighted-average discount rate: Operating leases	4.73%

Maturities of lease liabilities for operating leases are as follows:

2023	\$ 15,588
2024	15,588
2025	<u>12,990</u>
Total future undiscounted lease payments	\$ 44,166
Less: interest	<u>(2,745)</u>
Present value of lease liabilities	<u>\$ 41,421</u>

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS

NOTE 8 - CERTIFICATE OF DEPOSIT FOR UNEMPLOYMENT

The Organization has a certificate of deposit with Glacier Hills Credit Union which is co-owned by the Organization and the Treasurer of the Wisconsin Unemployment Reserve Fund, State of Wisconsin. This certificate of deposit allows the Organization to only pay unemployment costs when incurred rather than paying the unemployment cost in relation to payrolls. The CD is \$10,068 and \$10,023 at December 31, 2022 and 2021, respectively.

NOTE 9 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 166,981	\$ 321,916
Certificates of deposit	412,183	210,729
Investments	13,141	-
Less: Amounts with donor restrictions	(40,000)	(25,000)
Less: Amount designated for unemployment	<u>(10,068)</u>	<u>(10,023)</u>
	<u>\$ 542,237</u>	<u>\$ 497,622</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.