

ANDERSON INTERFAITH MINISTRIES, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

ANDERSON INTERFAITH MINISTRIES, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Anderson Interfaith Ministries Inc.
Anderson, South Carolina

Opinion

We have audited the accompanying financial statements of Anderson Interfaith Ministries, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Anderson Interfaith Ministries, Inc. as of June 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Anderson Interfaith Ministries, Inc. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Anderson Interfaith Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Anderson Interfaith Ministries, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Anderson Interfaith Ministries, Inc.'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.

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
November 25, 2025

ANDERSON INTERFAITH MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION

	JUNE 30,	
ASSETS	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 935,735	\$ 885,240
Restricted cash and cash equivalents	15,765	49,846
Investments	69,589	65,914
Beneficial interest held by others	31,263	28,332
Accounts receivable	49,229	61,524
Inventory	67,081	67,081
Other current assets	23,977	27,972
Total current assets	<u>1,192,639</u>	<u>1,185,909</u>
NONCURRENT ASSETS		
Property, plant and equipment, net	841,640	845,052
Intangible asset, net	22,125	-
Operating lease right-of-use asset	9,864	26,647
Total non-current assets	<u>873,629</u>	<u>871,699</u>
Total assets	<u><u>\$ 2,066,268</u></u>	<u><u>\$ 2,057,608</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 56,625	\$ 26,288
Accrued payroll and related liabilities	29,488	29,892
Compensated absences	78,867	73,396
Lease liability, current portion	9,864	16,783
Note payable, current portion	15,285	14,927
Total current liabilities	<u>190,129</u>	<u>161,286</u>
LONG-TERM LIABILITIES		
Note payable, less current portion	277,526	292,730
Lease liability, less current portion	-	9,864
Total long-term liabilities	<u>277,526</u>	<u>302,594</u>
Total liabilities	<u>467,655</u>	<u>463,880</u>
NET ASSETS		
With donor restrictions	15,765	49,846
Without donor restrictions	1,582,848	1,543,882
Total net assets	<u>1,598,613</u>	<u>1,593,728</u>
Total liabilities and net assets	<u><u>\$ 2,066,268</u></u>	<u><u>\$ 2,057,608</u></u>

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

ANDERSON INTERFAITH MINISTRIES, INC.
STATEMENTS OF ACTIVITIES

	YEAR ENDED JUNE 30, 2025			YEAR ENDED JUNE 30, 2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
OPERATING ACTIVITIES						
Grants and contributions	\$ 1,319,825	\$ 381,444	\$ 1,701,269	\$ 1,055,856	\$ 968,521	\$ 2,024,377
SNAP2WORK program contributions	-	55,526	55,526			
In-kind contributions	1,493,618	-	1,493,618	1,212,429	-	1,212,429
Special events	141,777	-	141,777	169,528	-	169,528
Other revenue, gains and support	31,306	-	31,306	13,577	-	13,577
Net assets released from restrictions	471,051	(471,051)	-	997,869	(997,869)	-
Total revenue and support	3,457,577	(34,081)	3,423,496	3,449,259	(29,348)	3,419,911
EXPENSES						
Program services						
Emergency assistance	770,390	-	770,390	1,088,735	-	1,088,735
Women and children succeeding	75,275	-	75,275	91,508	-	91,508
Food pantry	1,709,301	-	1,709,301	1,535,972	-	1,535,972
Asset building	136,438	-	136,438	161,123	-	161,123
Other community outreach	281,262	-	281,262	427,891	-	427,891
Total program services	2,972,666	-	2,972,666	3,305,229	-	3,305,229
Support services						
Management and general	369,727	-	369,727	404,087	-	404,087
Fundraising	103,199	-	103,199	89,197	-	89,197
Total support services	472,926	-	472,926	493,284	-	493,284
Total expenses	3,445,592	-	3,445,592	3,798,513	-	3,798,513
Changes in net assets from operating activities	11,985	(34,081)	(22,096)	(349,254)	(29,348)	(378,602)
NONOPERATING ACTIVITIES						
Investment income and expense	26,981	-	26,981	16,816	-	16,816
Gain/(loss) on the sale of assets	-	-	-	(8,750)	-	(8,750)
Changes in net assets from nonoperating activities	26,981	-	26,981	8,066	-	8,066
Changes in net assets	38,966	(34,081)	4,885	(341,188)	(29,348)	(370,536)
Net assets, beginning of year	1,543,882	49,846	1,593,728	1,885,070	79,194	1,964,264
Net assets, end of year	\$ 1,582,848	\$ 15,765	\$ 1,598,613	\$ 1,543,882	\$ 49,846	\$ 1,593,728

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

ANDERSON INTERFAITH MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services						Supporting Services			
	Emergency Assistance	Women and Children Succeeding	Food Pantry	Asset Building	Other Community Outreach	Total	Management and General	Fundraising	Total	Total
Personnel and related expenses	\$ 333,459	\$ 45,184	\$ 130,130	\$ 97,598	\$ 73,198	\$ 679,569	\$ 187,063	\$ 37,051	\$ 224,114	\$ 903,683
Direct assistance to clients	363,760	5,858	1,502,405	4,100	203,260	2,079,383	66,210	-	66,210	2,145,593
Americorps expense	4,394	826	5,121	1,288	545	12,174	4,345	-	4,345	16,519
Special event expense	-	-	-	-	-	-	-	65,541	65,541	65,541
Advertising and marketing	4,230	1,608	2,847	1,576	177	10,438	5,194	450	5,644	16,082
Printing and postage	478	644	435	533	131	2,221	985	65	1,050	3,271
Depreciation	10,635	4,431	15,110	4,476	-	34,652	9,660	-	9,660	44,312
Amortization	90	38	128	38	-	294	81	-	81	375
Telephone and utilities	4,145	5,346	9,311	2,343	991	22,136	7,900	-	7,900	30,036
Office expenses and IT	20,238	3,804	23,586	5,935	2,511	56,074	20,009	-	20,009	76,083
Insurance	5,388	5,810	5,810	5,810	-	22,818	9,640	-	9,640	32,458
Professional fees	18,124	570	10,448	10,555	-	39,697	13,609	-	13,609	53,306
Travel	850	574	-	1,010	402	2,836	8,554	92	8,646	11,482
Interest expense	-	-	-	-	-	-	7,225	-	7,225	7,225
Repairs and maintenance	4,599	582	3,970	1,176	47	10,374	1,268	-	1,268	11,642
Other	-	-	-	-	-	-	27,984	-	27,984	27,984
Total expenses	<u>\$ 770,390</u>	<u>\$ 75,275</u>	<u>\$ 1,709,301</u>	<u>\$ 136,438</u>	<u>\$ 281,262</u>	<u>\$ 2,972,666</u>	<u>\$ 369,727</u>	<u>\$ 103,199</u>	<u>\$ 472,926</u>	<u>\$ 3,445,592</u>

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

ANDERSON INTERFAITH MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services						Supporting Services			
	Emergency Assistance	Women and Children Succeeding	Food Pantry	Asset Building	Other Community Outreach	Total	Management and General	Fundraising	Total	Total
Personnel and related expenses	\$ 368,552	\$ 49,939	\$ 143,825	\$ 107,869	\$ 80,902	\$ 751,087	\$ 206,749	\$ 40,950	\$ 247,699	\$ 998,786
Direct assistance to clients	603,961	9,726	1,266,235	6,808	337,479	2,224,209	35,791	-	35,791	2,260,000
Americorps expense	39,970	7,513	46,581	11,720	4,959	110,743	39,519	-	39,519	150,262
Special event expense	-	-	-	-	-	-	-	47,677	47,677	47,677
Advertising and marketing	3,835	1,458	2,581	1,429	160	9,463	4,711	408	5,119	14,582
Printing and postage	334	451	304	373	92	1,554	688	46	734	2,288
Depreciation	11,609	4,837	16,494	4,885	-	37,825	10,544	-	10,544	48,369
Telephone and utilities	4,315	5,565	9,692	2,439	1,032	23,043	8,222	-	8,222	31,265
Office expenses and IT	21,244	3,993	24,758	6,229	2,636	58,860	21,005	-	21,005	79,865
Insurance	4,883	5,265	5,265	5,265	-	20,678	8,736	-	8,736	29,414
Professional fees	16,617	475	9,579	9,677	-	36,348	12,524	-	12,524	48,872
Travel	1,070	723	-	1,272	506	3,571	10,771	116	10,887	14,458
Interest expense	-	-	-	-	-	-	7,660	-	7,660	7,660
Repairs and maintenance	12,345	1,563	10,658	3,157	125	27,848	3,406	-	3,406	31,254
Other	-	-	-	-	-	-	33,761	-	33,761	33,761
	<u>\$ 1,088,735</u>	<u>\$ 91,508</u>	<u>\$ 1,535,972</u>	<u>\$ 161,123</u>	<u>\$ 427,891</u>	<u>\$ 3,305,229</u>	<u>\$ 404,087</u>	<u>\$ 89,197</u>	<u>\$ 493,284</u>	<u>\$ 3,798,513</u>

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

ANDERSON INTERFAITH MINISTRIES, INC.
STATEMENTS OF CASH FLOWS

	YEARS ENDED JUNE 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 4,885	\$ (370,536)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	44,312	48,369
Right-of-use asset amortization	17,158	7,120
(Gain) loss on sale of assets	-	8,750
(Increase) decrease in:		
Accounts receivable	12,295	277,019
Inventory	-	39,517
Other current assets	3,995	(9,319)
Increase (decrease) in:		
Accounts payable	30,337	(29,607)
Accrued payroll and related liabilities	(404)	(11,392)
Compensated absences	5,471	46,359
Deferred revenue	-	(412,793)
Operating lease liability	(16,783)	(7,120)
Net cash provided by (used in) operating activities	<u>101,266</u>	<u>(413,633)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(63,400)	(1,471)
Proceeds from the sale of assets	-	9,700
Proceeds from the sale of investments	(6,606)	(4,372)
Net cash (used in) provided by investing activities	<u>(70,006)</u>	<u>3,857</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Note payable principal payments	(14,846)	(14,413)
Net cash (used in) financing activities	<u>(14,846)</u>	<u>(14,413)</u>
Net increase (decrease) in cash	16,414	(424,189)
Cash, cash equivalents and restricted cash, beginning of year	<u>935,086</u>	<u>1,359,275</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 951,500</u>	<u>\$ 935,086</u>
Cash and cash equivalents	935,735	885,240
Restricted cash and cash equivalents	<u>15,765</u>	<u>49,846</u>
	<u>\$ 951,500</u>	<u>\$ 935,086</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	<u>\$ 7,225</u>	<u>\$ 7,660</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:		
Operating lease liability arising from new right-of-use operating lease assets	<u>\$ -</u>	<u>\$ 33,767</u>

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

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - NATURE OF BUSINESS AND ACCOUNTING POLICIES

Nature of business

Anderson Interfaith Ministries, Inc. (the "Organization") is a nonprofit organization formed in 1990 to assist the needy while encouraging and guiding them to function independently within their own resources. Such activities include providing needy individuals and families in emergency or catastrophic circumstances with cash and non-cash assistance to meet basic needs for food, warmth and shelter; operation of the Women and Children Succeeding program to mentor single mothers and their children, enabling the women to complete an education and find gainful employment; financial counseling and other programs to help meet basic needs and move individuals and families to independence.

The Organization's primary sources of revenue are grants and contributions (cash and in-kind) from individuals, charitable organizations and government agencies.

Income taxes

The Organization is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170 (b) (1) (a) (ii). The Organization's information returns are subject to examination by the Internal Revenue Service for three years subsequent. Open tax years at June 30, 2025 include fiscal years 2022-2024.

Basis of accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting. Consequently, revenues are recognized when earned rather than received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and cash equivalents

All cash in bank accounts and short-term investments with a maturity of three months or less are considered cash and cash equivalents. During the fiscal years ended June 30, 2025 and 2024, the Organization was required by certain grantors to hold cash in separate bank accounts. For the year ended June 30, 2025 and 2024, the Organization's cash balances exceeded the insured limit by the Federal Depository Insurance Corporation (FDIC) by \$51,587 and \$117,221, respectively.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give- that is, those with a measurable performance or other barriers and a right of return – are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets which have been released from restrictions.

(Continued)

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - NATURE OF BUSINESS AND ACCOUNTING POLICIES, Continued

Revenue and Revenue Recognition, continued

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give are recorded as revenues and accounts receivable when the promise is made. In the first year a pledge is made, the pledges receivable are recorded at their fair market value by applying a discount rate (risk-free rate plus a risk premium) to the probability - weighted cash flows for each year in which the cash is expected to be received. In subsequent years, amortization of the discount is credited to contribution income. Pledges that are expected to be received in one year are reported at net realizable value. The estimate of uncollectible pledges is determined based upon historical experience with the donors.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recorded \$222,840 and \$232,688 in donated services to the Organization for the years ended June 30, 2025 and 2024, respectively.

The Organization recognizes revenue from ticket sales at the time of admission through fundraising events. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Revenue from grants is recognized according to the specific agreement. Generally, revenues from restricted grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of project expenses incurred. Grants and contracts are subject to audit by the awarding agency.

Net assets without donor restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

(Continued)

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - NATURE OF BUSINESS AND ACCOUNTING POLICIES, Continued

Net assets with donor restrictions

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets with donor restrictions at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Time restricted	\$ -	\$ -
Purpose restricted	<u>15,765</u>	<u>49,846</u>
Net assets with donor restrictions	<u>\$ 15,765</u>	<u>\$ 49,846</u>

Restricted purposes include funds designated by donors for capacity building, housing assistance and other.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. During the years ended June 30, 2025 and 2024, the Organization expended funds from net assets with donor restrictions for the following purposes:

	<u>2025</u>	<u>2024</u>
Emergency assistance	\$ 4,338	\$ 706,535
Food pantry	20,000	96,621
Emergency solutions	91,500	15,000
Women and children succeeding	104,602	46,900
Asset building	-	10,000
FEMA	39,874	-
Ramps and repairs	-	7,500
General and administrative	<u>210,737</u>	<u>115,313</u>
Net assets released from restrictions	<u>\$ 471,051</u>	<u>\$ 997,869</u>

Long-term investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the Statements of Financial Position. Investments in certificates of deposit are valued at cost. The Organization reports investment income and gains and losses on investments as increases or decreases in net assets without donor restrictions unless a donor or law temporarily or permanently restricts their use.

(Continued)

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - NATURE OF BUSINESS AND ACCOUNTING POLICIES, Continued

Property, plant and equipment

Property, plant and equipment are reflected at cost if purchased, and at fair market value as of the date of donation. All property, plant and equipment are capitalized if the useful life when acquired is more than 1 year and greater than \$1,000. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	40 years
Furniture and equipment	3–7 years
Vehicles	7 years

Advertising

The Organization expenses advertising costs as they are incurred. Advertising charged to expense was \$16,082 and \$14,582 for the years ended June 30, 2025 and 2024, respectively.

Compensated absences

Employees of the Organization are entitled to be paid for unused vacation, depending on job classification, length of service and other factors. Any unused vacation is forfeited at the end of each calendar year but employees who terminate their employment during the year are entitled to receive payment for any unused annual vacation at the date of termination. The Organization accrues a liability for compensated absences at fiscal year-end.

Inventories

Inventories are stated at the lower of cost or market determined by the first-in, first-out method if purchased. Donated inventory is stated at estimated fair value at the date of donation. Most of the Organization's inventory has been donated for use in the Organization's programs.

Functional expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel and related expenses	Time and Effort
Direct assistance to clients	Time and Effort
Office expenses	Time and Effort
Depreciation	Square footage
Occupancy	Square footage
Professional fees	Full time Equivalent
Printing and postage	Full time Equivalent
Travel	Time and Effort

(Continued)

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - NATURE OF BUSINESS AND ACCOUNTING POLICIES, Continued

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Leases

The Organization previously adopted Topic 842, Leases, which requires lessees to recognize a right-of-use (ROU) asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases will be classified as finance or operating leases, with the classification affecting the pattern and classification of expense recognition in the statement of activities. The Organization has applied the practical expedient which allows the use of a risk-free rate to determine the present value of the lease liability. The Organization has also chosen not to reassess any expired or existing contracts for leases. Lastly, the Organization has chosen not to apply Topic 842 to low value assets. Additional information regarding leases is included in Note 11.

NOTE 2 – COMMITMENTS AND CONTINGENCIES

Certain contracts and grants received by the Organization are subject to audit or review by the grantor/payor agencies. As a result of these audits or reviews, the Organization may be required to repay a portion of grant or contract funds received. However, management does not believe any liability related to its grants and contracts would be material.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash	\$	951,500
Investments		69,589
Beneficial interest held by others		31,263
Accounts receivable		49,229
Inventory		67,081
Other current assets		23,977
	\$	<u>1,192,639</u>

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – INVESTMENTS

The Organization's investments were as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Certificate of deposit	<u>\$ 69,589</u>	<u>\$ 65,914</u>

The certificate of deposit earns interest at a rate of 3.78% and matures on November 5, 2025. The Organization intends to hold the investment to maturity.

NOTE 5 – BENEFICIAL INTEREST

The Organization has a board-designated endowment held in pooled investment funds with the Foothills Community Foundation (the "Foundation"). All contributions are irrevocable and the Foundation or the Organization may from time to time make additions to the funds. Distributions from the fund are made within 30 days of a written request by one of the authorized members of the Organization's Board of Directors.

Should the purpose for which the fund at the Foundation was created ever become obsolete or incapable of fulfillment, or should the Organization cease to exist, the Foundation will disperse any distributions from the fund to a similar charity comparable to the Organization for purposes as similar as possible to those set forth in the Organization's agreement with the Foundation.

NOTE 6 – FAIR VALUE MEASUREMENTS

For assets and liabilities measured at fair value on a recurring basis during the period, U.S. Generally Accepted Accounting Principles requires quantitative disclosures about the fair value measurements separately for each major category of assets and liabilities.

Those assets measured at fair value on a recurring basis in the Statement of Financial Position and the types of inputs used to estimate fair value are as follows at June 30, 2025 and 2024:

		<u>2025</u>		
		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices</u>		
		<u>in</u>		
		<u>Active Markets</u>	<u>Significant</u>	<u>Significant</u>
		<u>For Identical</u>	<u>Other</u>	<u>Unobservable</u>
<u>Description</u>	<u>6/30/2025</u>	<u>Assets (level 1)</u>	<u>Observable</u>	<u>Inputs (level 3)</u>
			<u>Inputs (level 2)</u>	
Beneficial interest	\$ 31,263	\$ -	\$ 31,263	\$ -
	<u>\$ 31,263</u>	<u>\$ -</u>	<u>\$ 31,263</u>	<u>\$ -</u>

(Continued)

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 – FAIR VALUE MEASUREMENTS, Continued

Description	6/30/2024	2024		
		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in		
		Active Markets For Identical Assets (level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (level 3)
Beneficial interest	\$ 28,332	\$ -	\$ 28,332	\$ -
	\$ 28,332	\$ -	\$ 28,332	\$ -

The beneficial interest held at the Foundation was determined by the Foundation based upon the Organization's allocable share in the market value of the underlying investments made by the Foundation as reported to the Foundation by a third-party trustee from published market quotes.

NOTE 7 – RECEIVABLES

Accounts receivable at June 30, 2025 and 2024 consist of the following:

	2025	2024
City of Anderson	\$ 3,000	\$ 2,612
SNAP2WORK	3,281	-
SC Thrive	10,038	14,687
VHRMP	5,465	12,399
Gift Card Receivables	550	-
Other	26,683	31,826
Total Accounts Receivable	\$ 49,017	\$ 61,524

NOTE 8 – INVENTORIES

At June 30, 2025 and 2024, inventory consisted of the following:

	2025	2024
Baby/household items	\$ 3,222	\$ 3,222
AC Units	-	-
Food	63,859	63,859
	\$ 67,081	\$ 67,081

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at June 30, 2025 and 2024:

	2025	2024
Land	\$ 94,133	\$ 94,133
Buildings	1,098,278	1,057,378
Furniture and equipment	221,957	221,957
Vehicles	39,621	39,621
	1,453,989	1,413,089
Less: accumulated depreciation	(612,349)	(568,037)
	<u>\$ 841,640</u>	<u>\$ 845,052</u>

Depreciation expense of \$44,312 and \$48,369 has been recorded in the financial statements for the years ended June 30, 2025 and 2024, respectively.

NOTE 10 – INTANGIBLE ASSET AND AMORTIZATION

Intangible assets consist of capitalized website development costs. These costs are amortized over the straight-line method over an estimated useful life of 5 years.

The website intangible asset consisted of the following at June 30, 2025 and 2024:

	2025	2024
Website development costs	\$ 22,500	\$ -
Less: accumulated amortization	(375)	-
	<u>\$ 22,125</u>	<u>\$ -</u>

Amortization expense for the years ended June 30, 2025 and 2024 was \$375 and \$0, respectively.

NOTE 11 – LEASING ACTIVITIES

The Organization entered into an operating lease agreement with Ryder Truck Rental, Inc. on January 16, 2024, for the use of a food truck that is essential for its operations. The lease agreement includes terms for vehicle maintenance, substitute vehicles in the event of mechanical failure, and responsibilities for physical damage and insurance coverage. The lease has an initial term of 24 months with monthly payments of \$1,750 plus additional charges based on mileage and refrigeration hours.

(Continued)

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 – LEASING ACTIVITIES, Continued

As of June 30, 2025, the right-of-use (ROU) asset had a balance of \$9,864, as shown in noncurrent assets on the statement of financial position; the lease liability of \$9,864 is included in long-term liabilities.

Future minimum lease payments are as follows:

2026	10,324
Total undiscounted cash flows	10,324
Less: present value discount	(460)
Total lease liabilities	\$ 9,864

For the year ended June 30, 2025, operating lease expense is \$16,783 included in direct assistance to clients.

NOTE 12 – LONG-TERM LIABILITIES

On June 1, 2021, the Organization entered into a loan agreement for the purpose of renovating the existing Administrative Building in the amount of \$350,000. The loan accrues interest of 2.375 percent with monthly payments of \$1,839 and a final balloon payment on the maturity date of June 1, 2031. The note balance at June 30, 2025 and 2024 was \$292,811 and \$307,657, respectively.

Note payable	\$ 292,811
Less current portion	(15,285)
Long-term portion	\$ 277,526

Principal maturities are as follows for the year ending June 30:

2026	\$ 15,285
2027	15,652
2028	16,028
2029	16,413
2030	16,807
Thereafter	212,626
	\$ 292,811

Interest expense incurred and recognized as expense totaled \$7,225 and \$7,660 in the years ended June 30, 2025 and 2024, respectively.

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 – SHORT TERM DEBT

The Organization carries a \$110,000 line of credit with 5.25% interest rate based on the Lender's Prime Rate. The purpose of the line of credit is to cover temporary cash shortfalls. The line of credit was not used during this fiscal year.

NOTE 14 – RETIREMENT PLAN

The Organization sponsors a Simplified Employee Pension retirement plan. This plan covers all employees who are at least 21 years of age and who were employed by the Organization in at least three of the immediately preceding five years. Contributions by the Organization are discretionary. Plan expenses for the year ending June 30, 2025 and 2024 were \$24,698 and \$12,898, respectively.

NOTE 15 – RELATED PARTIES

In February 2012, the Organization established WACS of the Upstate, Inc. (WACS), a separate corporation, to operate the Organization's Women and Children Succeeding program and serve as a model for the program. WACS is a tax exempt organization not classified as a private foundation within the meaning of Internal Revenue Code Section 509(a). In accordance with WACS bylaws, at all times, no less than two-thirds of the board of WACS board of directors shall be made up of then current members of the board of directors of the Organization. WACS had no activity during the years ended June 30, 2025 and 2024.

NOTE 16 – ENDOWMENT

The Organization has one board-designated endowment fund (the "Fund") with a value of \$31,263 and \$28,332 at June 30, 2025 and 2024, respectively, which is reported as a component of net assets without donor restrictions in the accompanying financial statements.

The objective is that the underlying assets of the Fund held at the Foundation shall achieve some capital growth such that future distributions maintain purchasing power within the context of reasonable inflationary expectations. The investment policy governing the underlying investments is established by the Board of the Foundation. Distributions will be made from the Fund within thirty days of a written request by one of the authorized members of the Organization's Board. The long-term objective of the Foundation's investment management is to earn a real total rate of return (interest and dividend payments plus realized and unrealized capital appreciation, expressed as a percentage of market value and adjusted inflation). The total Fund objective is to compare favorably with the upper end (e.g. 40%) performance of balanced fund managers, averaged over a full market cycle. The portfolio shall be structured to consist of 40 to 75% equity securities and 20% to 60% fixed income securities, with the norm being 65% stocks and 35% bonds, and with cash reserves of up to 10%. The fund may invest up to 15% of its assets in alternative or market neutral investments. These investments include, but are not limited to real estate, timber and other commodities such as precious metals, oil and gas.

ANDERSON INTERFAITH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 17 – IN-KIND CONTRIBUTIONS

The Organization’s in-kind contributions consisted of the following as of June 30, 2025:

		<u>Usage</u>
Food	\$ 1,248,100	Program
Clothing and personal items	22,678	Program
Volunteer service	<u>222,840</u>	Program
	<u>\$ 1,493,618</u>	

These in-kind contributions were valued using appraisals provided by the donors. No in-kind contributions were restricted. The Organization does not sell any gifts in-kind; it is used for direct support to program participants.

NOTE 18 – DEFERRED REVENUE

The Organization previously received federal funding through the Coronavirus Relief Fund (“CRF”) program as a subrecipient of Anderson County. Funds were provided to assist with rental and utility payments for eligible low-income individuals. Amounts received but not yet spent were recorded as deferred revenue until the related program expenditures were incurred.

CRF funding ended during fiscal year 2024, and all remaining deferred amounts were recognized as revenue in that year as the Organization fulfilled the applicable program requirements.

During the year ended June 30, 2025, the Organization did not receive any additional CRF funds, and no amounts remained unspent.

Accordingly, the Organization had no deferred revenue as of June 30, 2025 or 2024.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events have been evaluated for accrual and/or disclosure through November 25, 2025, which is the date the financial statements were available to be released.